



Gene genie
'It was too late. We were on a journey into a rapidly evolving future that no one could stop'

Page I



Take Manhattan
'We're doing antidepressant aromatherapy lipstick and aroma colour bath (no bubbles, just pure colour energy)'

Page XII



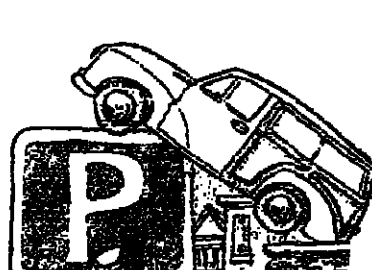
FINANCIAL TIMES

JANUARY 17/JANUARY 18 1998



Boy wonder
'I have posters of Agassi at home. I can't believe I shall be on the same court as him'

Page XVIII



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Private sector debt problem intensifies with rupiah at 8,200 to the dollar

IMF deal fails to ease crisis in Indonesia

By Peter Montagnon and Sander Thoenes in Jakarta

Indonesia's \$80bn private sector debt crisis has intensified after Thursday's International Monetary Fund rescue package failed to restore confidence in the rupiah, senior bankers and diplomats said yesterday.

"I'm still convinced there will be a debt moratorium, but it will be done in an orderly way with the appointment of national negotiating groups for foreign lenders," said Neil Saker, regional economist with SocGen-Crosby.

"It has to happen soon, we are close to total collapse," said a leading European banker who declined to be identified.

They were speaking after the rupiah fell as low as Rp9,000 to the dollar yesterday, although it recovered to close slightly firmer on the day at 8,200. Bankers say the rate needs to return to about

Rp4,000 before the private sector debt becomes manageable. When the crisis struck last August, the dollar was worth about Rp2,600.

Dealers blamed the failure of the rescue package to address the country's debt problem as well as political uncertainties for the rupiah's failure to rise. However, the stock market took heart from the package with shares rising almost 7 per cent, although some dealers detected buying by government-owned brokers.

The IMF and World Bank are wringing their hands at the rupiah's response to what they thought was a 'tough package that hit almost every vested interest in Indonesia, said one diplomat familiar with the IMF negotiations. "Virtually everyone agrees that the debt needs a solution, and needs one quickly."

But neither institution has a well-thought out solution for dealing with private sector debt,



Indonesian demonstrators demand democracy and cheap food as the debt crisis continues

he said. There is a general reluctance to use public funds to bail out private lenders, but there is a growing perception in the market that the liquidity squeeze facing Indonesia cannot be overcome while the private sector faces a massive debt service burden.

Manufactured exports are drying up because companies cannot obtain working capital or letters of credit to finance imported inputs, bankers said.

Market estimates of debt falling due this year range up to

almost \$60bn. Indonesia's IMF programme suggests a lower figure of \$20bn for short-term debt, but economists close to the government say this does not include commercial paper and other offshore borrowings which bring the total bill up to \$29bn.

Mr Saker said he believed Indonesia could propose a solution such as the Chile's government-sponsored rescheduling of private sector debt in the 1980s. Lending banks have a weak hand while Indonesia has no effective

bankruptcy laws, he said. Bankers said there was also scepticism about Thursday's announcement that the central bank was to become independent, because its governor is appointed by the president, is a member of the cabinet and subject to influence by the finance ministry.

Malaysia urged to raise interest rates, Page 2
Editorial Comment, Page 9
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World stocks, Page 21

Stockholm ice palace artists lose their cool

Europe's new cultural capital feels the heat as flagship pavilion melts

By Tim Burt in Stockholm

Barbro Behm took off her gloves and ran her hands across the ice. "Even now it is sweating. It will all melt - there is just too much dirt in it," she said.

The sculptor, one of eight artists working inside Stockholm's first art gallery built entirely from snow and ice, yesterday expressed doubts the 200 sq m igloo would survive long enough to become one of the flagship venues of Stockholm '98, marking the city's year as cultural capital of Europe.

Sweden's mildest winter since 1920 has left the ice pavilion, due to open today, looking like a beached white whale on the muddy Stockholm quayside.

A conspicuous lack of snow and temperatures stubbornly above zero have forced the building's designers to look elsewhere for their raw material.

More than 100 tonnes of ice has been trucked down from the Arctic Circle to support the structure, and snow and ice have been scraped from the city's hockey rinks to pack it all together.

Yesterday, 30 architecture students were brought in to shovel snow against the outside walls while sculptors struggled to complete their own works of ice.

"It has prompted a great deal of debate about global warming and I am afraid it might not last as long as we had hoped," said Mats Widbom, programme co-ordinator for architecture and design at Stockholm '98.

The unseasonably warm weather, moreover, has persuaded the organisers to find a new theme for the launch project

of Stockholm's year as cultural capital. Instead of a Nordic celebration of ice and snow, the ice pavilion is being hailed as an example of technical ingenuity overcoming environmental obstacles.

About 5km of frozen pipes have been inserted into the walls, helping to keep the temperature inside the pavilion between -2°C and -5°C.

Snow gathered 30 miles away in Sandviken has been packed on the roof and the whole edifice wrapped up in polythene before today's official opening.

"In the worst-case scenario, we expected the temperature to be around zero. But it has been warmer than anyone can remember," said Mr Widbom.

Some commentators in Stockholm regard the frantic activity around the ice pavilion - due to sit in Kungsträdgården park for a month - as an ominous sign for the cultural year.

"The eyes of Europe are on us and we have to show that we can pull this off successfully," said one newspaper columnist.

The pressure has increased on Stockholm to revitalise the concept of a European cultural capital following criticism of Thessaloniki, the Greek city that held the accolade in 1997.

Thessaloniki's financial management of its year as city of culture has been the subject of inquiries by the European Commission and Greek government into how its grant aid was spent.

"Stockholm, with a budget of SKR460m (\$57.5m), has to produce a better-than-average performance," said one European diplomat in Stockholm. "The heat is on in more ways than one."

Chernomyrdin stakes strong claim as Yeltsin heir

By John Thornhill in Moscow

Victor Chernomyrdin, Russia's prime minister, yesterday staked a strong claim to succeed Boris Yeltsin as president by consolidating his grip over his cabinet through a significant reshuffle.

Brushing aside rumours of ill-health, Mr Chernomyrdin, a former gas industry boss, regained oversight of the fuel and energy ministry, previously supervised by Boris Nemtsov, first deputy prime minister.

Mr Chernomyrdin clipped the

portfolio of Anatoly Chubais, the other young first deputy prime minister, and took over supervision of the finance ministry.

The Izvestiya newspaper argued the changes, approved by the president, represented an unprecedented strengthening of the authority of the prime minister. It speculated that Mr Yeltsin had taken the decision either to stand for a third term or name Mr Chernomyrdin as his heir.

Boris Makarenko, a political analyst at the Centre for Political Technologies, a Moscow-based

institute, said the reshuffle stripped the two young reformers of much of their influence. There had been persistent rumours that Mr Chubais might be dismissed after becoming embroiled in a book publishing scandal.

"This is a definite indication of disappointment by Chernomyrdin and the president at the attempts of the young reformers to unleash reforms too quickly," Mr Makarenko said. "Such reforms appear not to be feasible."

Nevertheless, Mr Chubais and

Mr Nemtsov have been left to manage important technical reforms. Mr Chubais said he would co-ordinate efforts to raise additional revenue for the budget, adding that, without "a radical improvement of affairs in this area, we will not be able to solve anything".

Mr Nemtsov, who, as energy minister, antagonised Gazprom, the gas company, will concentrate on the politically unpopular fields of housing, transport and electricity reform.

In a further sign of the prime

minister's growing influence, Mr Chernomyrdin announced he would assume a more active role in managing the government's media relations, stripping Mr Chubais of this responsibility. Gazprom, which has amassed significant media holdings, said this week it would marshal support for the government.

The prime minister confirmed reports he had undergone recent medical tests but dismissed reports he had been taken ill on his return from a trip to central Asia this week.

News General

US and Britain press Iraq

The US and Britain stepped up pressure on Iraq after France and Russia, which want to see the lifting of sanctions, sought to dilute the American presence in the United Nations weapons-monitoring mission. Scott Ritter, the American whom Iraq has accused of being a spy, yesterday left Baghdad with his inspection team a day early after being blocked from working for two days. Page 3

China announces banking reforms: China unveiled sweeping reforms of its debt-burdened banking sector aimed at "commercialising" banks by 2000 and avoiding a south-east Asian-style financial crisis. Beijing also indicated that it would ease credit selectively for housing, infrastructure, agriculture and small businesses to stimulate an economy which is slowing. Page 2; Lex, Page 24

Pope and Castro agree to differ: On Wednesday the Pope, whose reputation as an anti-communist crusader still shadows him, will visit communist Cuba, island fiefdom of President Fidel Castro. Cuba and the Vatican have gone out of their way to damp speculation that the Pope may seek to persuade Mr Castro to dump communism. This is a pastoral, not a political, visit, they say. Page 3

Clinton makes legal history: Today, Bill Clinton will become the first incumbent US president to testify as a defendant in a court case. He will be answering a claim by Paula Corbin Jones that he sexually harassed her in 1991, when he was governor of Arkansas. The proceedings may mark the point of no return on a path to a full trial planned for May. Page 4

Man in the News

General in the family
Colin's government helped that General Augusto Pinochet make a decision when he finally resigned after nearly a decade of a bloody and authoritarian rule. But Pinochet's withdrawal from the military has not ended his influence. He has been delayed, leaving the country facing a constitutional crisis. Page 7



News Business

Seagate to cut workforce

Seagate Technology, the world's largest independent maker of disk drives, will cut 10,000 jobs, about 10 per cent of its workforce, in an attempt to stem mounting losses. Most of the job losses will be in Asia. The company's problems stem largely from competition for high-capacity disk drives. Analysts say it has been losing market share to IBM, Fujitsu, Maxtor and Samsung. Page 24

Asian problems hit Deutsche Telekom: German telecoms company Deutsche Telekom is to make provisions of up to DM750m (\$412m) in its 1997 results to cover the impact of south-east Asia's financial upheavals. The group reported annual after-tax income of DM3.3bn, according to preliminary estimates, at least DM1bn lower than market forecasts. Page 24

Sailor-turned tycoon looks overseas: Within a decade, Tony Shen Ching-ching, 50, self-made sailor-turned-tycoon, has built his Core Pacific group into one of Taiwan's top 10 conglomerates. With the purchase of Yamaichi Hong Kong, he is plotting the group overseas and plans initially to develop its securities business in Asia, especially China and Japan. Page 23

Wall Street follows Tokyo recovery in pre-holiday trading: The US stock market warmed up for the Martin Luther King holiday on Monday by rallying strongly in response to the recovery in the Tokyo market. An hour before its close, the Dow Jones Industrial Average was about 90 points higher at 7,781. While the market recovered from its sharp initial fall on Monday, it was plagued all week by fears that the Asian economic crisis would have adverse effects on corporate profits. London stocks, Page 17; World stocks, Page 21; Markets, FT Weekend Page XX

Reebok on new track: After spending hundreds of millions of dollars slugging it out with its rival Nike to sign sponsorship deals with basketball stars, US sportswear group Reebok is switching to custom-made shoes and older customers, and away from mass-producing \$200 sports shoes for kids. Page 6

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NEWS: INTERNATIONAL

US and UK toughen up Iraq stance

By Laura Silber in New York

The US and Britain yesterday stepped up pressure on Iraq after France and Russia sought to dilute the American presence in the UN weapons-monitoring mission.

Scott Ritter, the American whom Iraq has accused of being a spy, yesterday left Baghdad with his inspection team. William Cohen, US defence secretary in Bangkok, said Iraq's President Saddam Hussein did not score a victory with the departure of Mr Ritter's team. His 18-member team left a day earlier than scheduled after being blocked for two days from working when the required official escort failed to turn up.

In spite of Russia's offer on Thursday to provide aircraft to monitor Iraq, Mr Cohen said US spy aircraft would continue their surveillance. Iraq has threatened to shoot down the American U-2s. After Iraq complained that Americans and Britons were dominating the inspection team, Russia on Thursday submitted a list of 80 names for Richard Butler, chief UN inspector, to consider. UN officials said a senior French expert would join the disarmament commission (Unscdm) at UN headquarters in New York.

France and Russia want to see the early lifting of sanctions against Iraq, imposed after the Iraqi invasion of Kuwait in August 1990. Sanctions will remain in force until UN inspectors certify that Iraq has dismantled its arsenal of weapons of mass destruction and their pro-

duction facilities.

Britain yesterday said it was sending the aircraft carrier HMS Invincible, accompanied by the Royal Fleet Auxiliary Fort Victoria, to the Gulf region.

George Robertson, British defence secretary, said the UK was working with other Security Council members to secure Iraqi co-operation with the UN inspection teams. But he made clear that Britain was ready to use force if diplomacy failed to win access for the inspection teams.

Richard Butler, the chief weapons inspector, is due to meet UN inspectors today in Baghdad and on Monday talk to Iraqi officials in an effort to break the deadlock with Iraq over access for the weapons inspectors.

In addition to blocking Mr Ritter's team, Iraq has placed suspected weapons sites off-limits, claiming they are presidential palaces and other "sovereign" sites.

Western diplomats say Baghdad is expanding the category of off-limits sites in an effort to make impossible the monitoring and dismantling of Iraq's weapons.

This is the latest in a string of crises since last summer which diplomats have attributed to the fact that Unscdm is closing in on Iraq's hidden arsenal of chemical and biological weapons and possibly home-made Scuds.

A senior UN inspector said Iraq, hoping to exploit divisions within the Council, has "decided it can retain what remains of their weapons of mass destruction and get rid of sanctions."

Cubans make light of the First Coming

The Pope's visit to the communist-ruled island is the stuff of legend, writes Pascal Fletcher

Why is the Pope going to Cuba? "To see hell for himself, meet the devil in person and witness the miracle of how Cubans have survived!" This joke, doing the rounds in Havana, shows just how much the forthcoming visit of Pope John Paul II to Cuba has ignited the imagination, if not the expectations, of the island's long-suffering 11m people.

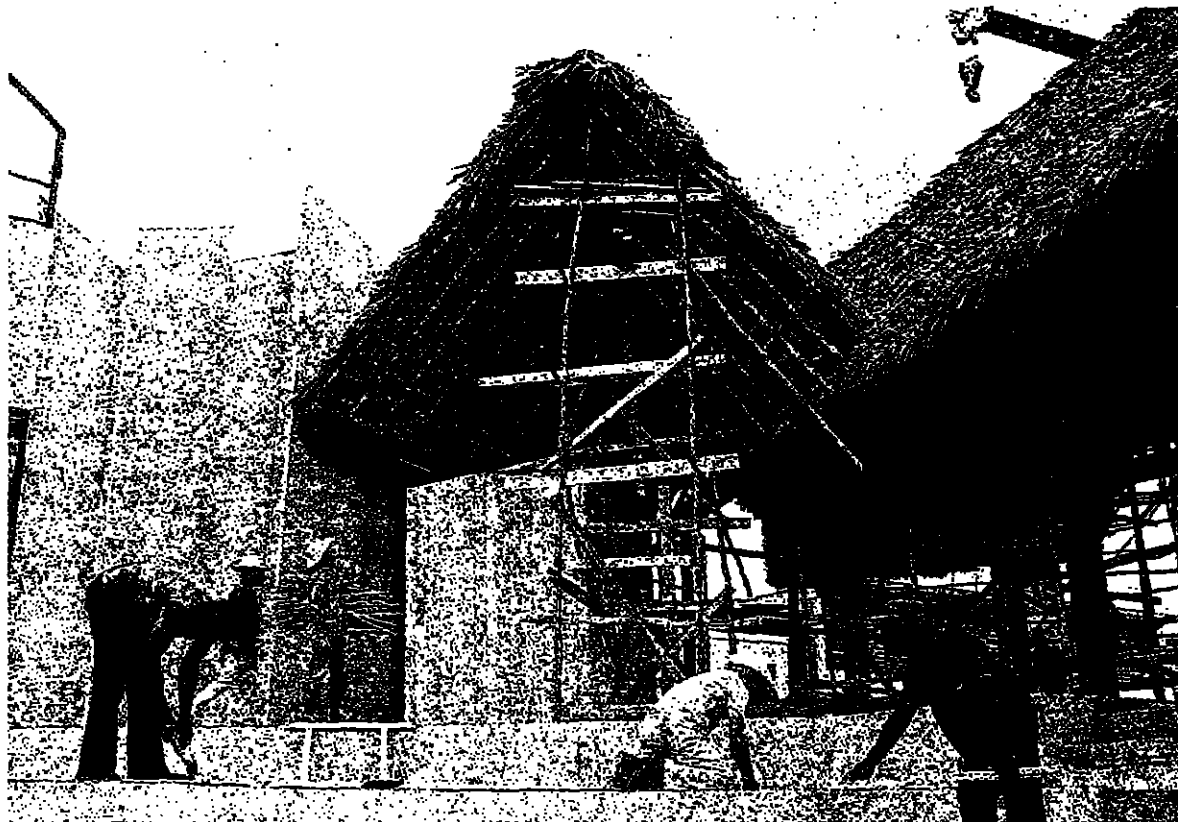
On Wednesday the 77-year-old Polish Pope, whose reputation as an anti-communist crusader still shadows him, will set foot on the island of Cuba's 71-year-old President Fidel Castro, stern defender of one of the world's last remaining one-party communist states.

Cuba's "Maximum Leader" will receive "the Messenger of Hope and Truth", the term being used by the Pope to describe his five-day pastoral mission to the Caribbean island as spiritual head of the world's Roman Catholics.

This is the stuff of myths and legends and, sure enough, 3,000 of the world's finest myth-makers from the international press will be at hand to record the momentous occasion.

Headlines are already being feverishly prepared: "A clash of titans", "Battle of hearts and minds", "An end-of-millennium meeting of the world's two great ideologies: Marxism and Catholicism".

Meanwhile, back in the real world both the Cuban government and the Vatican have gone out of their way to damp down speculation that the crusading Pope, on his first visit to the island, may seek to persuade Mr



Workers construct an altar in preparation for the Pope's visit to Santa Clara in Cuba on January 22

Castro to follow the way of his native Poland and dump one-party communism.

No, chorus the Vatican spokesmen, Cuban church leaders and government officials in apparent unison. This is a pastoral, not a political, visit.

But if the Pope says he is visiting Cuba as a "messenger of hope and truth", surely this suggests he believes these spiritual commodities may be in short supply there?

And what to make of a recent speech in Rome, in

which the Holy Father said he hoped his visit would help to make Cuba a "more just and united" country. Does that not sound just a tiny bit political?

US President Bill Clinton, who has no qualms about criticising Cuba's one-party system, certainly seems to think so. In recent remarks he said he was "very encouraged" by the Pope's visit to Cuba and added ominously: "The Pope is a very persuasive fellow."

This kind of endorsement from the headquarters of

world "imperialism" is usually enough to set the alarm bells ringing in Havana.

Mr Castro has told reporters he finds it strange that anyone should think the Holy Father would even try to convince him to abandon his faith in Marxism and the revolution. After all, he argued reasonably, did anyone seriously expect him to try to persuade the Pope to give up Catholicism?

Neither, Mr Castro added, would he be so impolite as to demand that his revered guest condemn the long-

standing US embargo against Cuba.

In fact, the pontiff is widely expected to repeat the church's public opposition to the US embargo, couched in suitably diplomatic terms.

As if to bury speculation about political change, Cuba's government held scheduled one-party general elections 10 days before the Pope's arrival. The authorities reported a miraculous near-100 per cent voter turnout and said this showed the level of support for Cuba's

one-party political system. But not all has been sweetness and light.

In spite of an assurance by Mr Castro that Cuba has "no material interest" in the papal visit, some big US television networks which have travelled to Havana are furious about what they call "outrageous price-gouging" by the Cubans. They are being asked to pay upwards of \$100,000 for the Cuban TV feed of the visit and \$5,000 a day for each satellite uplink licence, well above normal rates.

Mr Castro has denounced what he called efforts by "intriguers and enemies" to spoil the visit through "dirty publicity".

He cited international media coverage of a December 27 incident involving a Mexican tourist, in which a firework went off accidentally near a church in Havana. Some international news reports called it a "small bomb" and linked it to the papal visit.

"That firecracker resounded around the world like an atomic bomb," Mr Castro commented acidly.

Matters have not been helped by other press reports, subsequently confirmed by unnamed Vatican sources, that a listening "bug" was found before Christmas hidden in one of the church buildings that the Pope will visit during his trip. The government has avoided comment.

Amid all the fuss and paranoia, most ordinary Cubans seem to be keeping their feet firmly on the ground. "I don't expect much to change," said one Cuban. "Have you heard the latest Pope joke?"



A downcast Necmettin Erbakan on his way to court

Court orders closure of Welfare party

Islamist leader Necmettin Erbakan banned from office for five years

By John Bartham in Ankara

Turkey's constitutional court yesterday ordered the closure of the Islamist Welfare opposition party for conspiring against the secularist order and banned Necmettin Erbakan, its leader and a former prime minister, from political office for five years.

The court's 11 judges ruled 9-2 to uphold charges brought by a state prosecutor last May that Welfare, Turkey's largest party, was "undermining Turkey's secular regime and bringing the country to the brink of civil war".

Mr Erbakan yesterday urged his supporters to remain calm.

He said: "Even if the court's decision was wrong, people should obey it. I am asking for peace."

The prosecutor filed charges as part of a campaign led by the secularist military last year to force the Islamists from office. Mr Erbakan resigned in June after 11 months in office at the head of a coalition government with the conservative True Path party of Tansu Ciller.

The court also banned five other Welfare officials from participating in politics.

All the party's property must be transferred to the treasury.

Mr Erbakan said he would appeal against the court's

decision to the European Court of Human Rights, although the constitutional court's president stated that international treaties safeguarding basic human rights such as free speech are not binding in this case.

Hasan Cemal, political columnist at Sabah, Turkey's leading newspaper, said the court's decision to announce its decision on a Friday, Islam's holiest day, during the holy month of Ramadan was a blunt warning that the secularist state, increasingly dominated by the army, would tolerate no challenges from the Islamists.

However, the ruling may further alienate support for Turkey in the European Union, where leaders have criticised the Welfare trial as undemocratic.

This is the first time an Islamist party has been closed under a democratic government. Military-led governments closed two parties founded by Mr Erbakan in 1971 and 1980.

The party's 147 remaining MPs are expected to sit as independents and may later join the Virtue party, set up in December by Islamists as a successor to Welfare.

The Istanbul stock market's main price index rose 2.7 per cent yesterday, reflecting investors' belief that the end of the trial has reduced political uncertainty.

Consumer seen as victor in beef row

By Daniel Dombey in Brussels and Frances Williams in Geneva

The European Commission yesterday hailed a ruling on hormone-treated beef as a "victory for the consumer", even though the decision leaves it unclear whether the European Union will be able to continue indefinitely its ban on imports of the meat from the US and Canada.

The ruling, issued yesterday by the World Trade Organisation's appellate body, found the EU ban was in breach of international trade rules. But it ruled in favour of the EU on several points and EU officials say they will be able to keep the ban if they provide an adequate assessment of the risks that the beef may pose to human health.

The ruling is the latest attempt to settle a dispute that has run for more than nine years and which the US says has cost it \$200m-\$250m a year in lost export revenue.

Rita Hayes, US ambassador to the WTO in Geneva, called for the ban to be lifted within the 15 month adjustment period the WTO normally allows. She noted that two comprehensive studies, including one by the EU itself, had found no risk attached to beef from hormone-treated animals.

"There is no wiggle room here," she said.

The WTO ruling overturned an earlier panel on two counts. It said the EU was not necessarily inconsistent in allowing hormones into other parts of the food chain while banning the hormone-treated beef. It added that the EU would be allowed to impose tougher food standards than the corresponding international codes if its standards were scientifically based, a ruling that the Commission was quick to praise.

A WTO source had previously doubted whether the EU would be able to provide convincing evidence of the beef's alleged effect on health, since the earlier studies provided by the EU had focused on the hormones used rather than the beef itself.

But the ruling indicated that the conditions for a risk assessment could be met if toxins were found, even if they were only present in small quantities. "One molecule is enough," said an EU official.

The EU would also be justified in banning beef if the hormones were not administered in accordance with good animal husbandry.

Whose company should you keep?

The FT 500. Thursday January 22.

For listings of the European, UK, Japanese and US top 500 international companies based on market capitalisation, look in the FT on Thursday. The survey will also include detailed comment and analysis from FT journalists worldwide.

FINANCIAL TIMES

No FT, no comment.

سكدا من الاصل

NEWS: INTERNATIONAL

Clinton sex case hearing makes legal history

By Gerard Baker in Washington

Some time this morning, in a deserted office building a few blocks from the White House in downtown Washington, the president of the US will place his hand on a bible, swear an oath and talk on video for three hours or so about his sex life.

The occasion will not be some new experiment in schlock confessional television nor a first shot by the president at a very personal visual autobiography. It will be a piece of legal history.

Bill Clinton will become the first incumbent president ever to testify as a defendant in a court case. He will be answering a claim from Paula Corbin Jones that, on May 8, 1991, in a suite at the

Deposition will see first incumbent president testifying in a court case

Excelsior hotel in Little Rock, Arkansas, he wilfully and knowingly dropped his trousers and requested oral sex, an act that, since he was governor of Arkansas at the time and Ms Jones was an employee of the state, amounted to sexual harassment, an infringement of Ms Jones's federally protected rights.

In spite of efforts by lawyers for both the plaintiff and defendant to settle the case before it came to this, today's somewhat surreal proceedings, if they go ahead as planned, may mark the point of no return on a path to a full trial scheduled for May. Ms Jones has already turned down an offer from

the president's lawyers of \$700,000 as settlement.

She wanted instead a bit more money, an apology and what has become to a litigiously obsessed nation that most precious form of redress, her day in court.

The proceedings, known formally as a deposition, mark the most visible moment yet in a public relations nightmare for Mr Clinton.

The president tried to prevent the case coming to court during his term of office, arguing that no president had ever had to defend himself in such a way. That argument was rejected by the Supreme Court, and so Mr Clinton has been

required to give the deposition, a legally binding account of his version of events that will be used as evidence at the trial.

The trial judge will be available at the other end of a telephone if needed, but the question and answer session will be essentially unrefereed. Ms Jones's lawyers have made it plain they intend to ask probing questions about Mr Clinton's sexual history, many of which would surely be ruled out of order in court.

But the White House has gone out of its way to limit the damage. Originally scheduled to be held in the White House itself, Mr Clinton's lawyers and advisers

decided against it. Ms Jones is entitled to be present at the deposition, and stomachs clearly turned in Mr Clinton's offices at the thought of television pictures of the plaintiff sweeping in to the presidential mansion for her moment of history.

Instead the event will take place at the offices of Mr Clinton's lawyers on a Saturday morning, when the streets will be empty and most citizens' thoughts will be elsewhere. The building has an underground car park so Mr Clinton will not be forced to step out of his presidential limousine under the television lights.

And in giving the deposition in

private, the president may be able to avoid having to testify in open court if the trial goes ahead.

Ms Jones's supporters argue these efforts at damage limitation have recently gone much further.

Last week the Treasury began an investigation into the circumstances surrounding the curious coincidence that Ms Jones and her husband have found themselves the subject of an audit of their tax records by the Internal Revenue Service.

In the end, perhaps the most intriguing aspect of the case has been how unmoved the American public has been by it.

Even among those who say they believe Ms Jones's allegations, the president enjoys widespread approval.



John Glenn, the first American to orbit the earth

'Heroic' senator redefines space age

By Nicholas Timmins

John Glenn, the first American to orbit the earth, struck a blow for the elderly everywhere yesterday with the news that he is to return to space in October, aged 77.

The Ohio senator, whose freckled, crew-cut good looks and ice-cool demeanor enamoured him to Americans 36 years ago when he orbited the earth three times in Friendship Seven, is to fly again to allow detailed experiments on the ageing process.

Mr Glenn's first flight came when the US was seen to be trailing the Soviet Union in a space race conducted at the height of the cold war.

It was a rejuvenating moment for America, making him in the words yesterday of Dan Goldin, NASA's administrator, "one of the great heroes of the 20th century".

The new flight meant Glenn would be "America's first hero of the 21st century". Mr Goldin added.

Both NASA and Mr Glenn yesterday insisted the flight was not about a serious piece of scientific experimentation. Space flight has many similar effects to ageing on muscles, bones and the cardiovascular and immunological systems, effects which are reversed when astronauts return to earth.

Having Mr Glenn fly again will allow study of the effect on somebody well past normal retirement age, and allow NASA to compare what happens to Mr Glenn's body against the baseline data they hold from his previous flight.

Outlining his decision to go with the same mix of modesty, charm and intelligence which characterised his appeal 36 years ago, Mr Glenn said the flight should help address the "whys" of what happens to astronauts in space, as opposed to the well documented "whats".

When he put the idea to NASA two years ago, he said, he had asked himself "would we see the same kind of changes in someone who has already gone through the ageing process? Would you be immune to them? Would we be able to find out what turns the ageing process on and off eventually?"

Mr Goldin said the man who would be both "America's newest and oldest astronaut" had "a unique blend of experience, expertise and excellent health".

His decision to risk his life again in the interests of science showed the senator undeniably had "the right stuff" - a reference to Tom Wolfe's book depicting the key characteristic of the pilots, including Mr Glenn, who pioneered US space travel on the Mercury and Gemini missions.

US industrial production rises sharply

By Gerard Baker in Washington

US industrial production rose sharply last month, as companies ran at their fastest operating rate in more than two years, the Federal Reserve said yesterday.

The figures were the latest evidence that the widely expected economic slowdown as a result of the Asian financial crisis of the last six months has not arrived yet.

Total output climbed by a seasonally adjusted 0.5 per cent in December after a 0.8 per cent leap the month before.

Businesses were running at 83.4 per cent of their maximum capacity as 1997 ended - the highest operating rate since September 1995, but still comfortably below what most economists regard as the inflationary flash point of about 85 per cent.

Last year was clearly a banner year for US factories - output was up by 5.9 per cent in 1996; manufacturing industry recorded growth of 6.5 per cent.

But analysts expect production to slow in the first few months of 1998 as a combination of rising stock levels and the fall-out from the Asian crisis begin to affect output.

The growth in production in the last three months of the year - at about an annual rate of 7.4 per cent - was much faster than the growth in demand - what was actually bought.

That suggests companies were forced to put much of the increased production into stocks.

Over the next few months businesses will tend to ease off production and run down their higher stock levels to meet demand.

In addition, the Asian effect should start to be felt, as US companies face weaker demand in the region and are forced to cope with a rise in the price of their goods as a result of the stronger dollar.

"The momentum in the industrial sector is upward going into 1998, but we expect it to ease over the course of the year, as [stocks] growth eases and export growth slows," said Jonathan Basile, an economist with HSBC Markets, an investment bank.

What no one knows for certain, however, is the scale of this slowdown. If the overall effect on output is small, the Federal Reserve will face a renewed dilemma over interest rate policy.

Currently the Fed seems content to remain on hold, pending further evidence of the depth of the expected deceleration.

Some analysts are even expecting the central bank to cut interest rates, as the economy slows sharply.

But if production continued to be as robust as it has been in the last few months, the chances of an easing in policy seem remote. And in yesterday's report the Fed pointed out that December output would have been even stronger if the car industry had not cooled off.

Excluding cars and car parts, December output climbed 0.7 per cent following a 0.6 per cent November rise.

Ice stars chase glittering prizes

National Hockey League is sending leading players to the Olympics, says Richard Waters

Eric Lindros is 6ft 4in, 230lb, and a menacing presence on a hockey rink. When this giant Canadian crushes opposing players against the boards, they feel it.

So how will his team mates on the Philadelphia Flyers react when they are submitted to the Lindros punishment at the Winter Olympics next month? And how will fans of the four US big league sports feel when they see their local heroes lining up on the opposing side against the red, white and blue of the national team?

If you are one of the bean-counters at the National Hockey League, which is sending its players to the Olympics for the first time, this will strike you as a truly exciting prospect.

The last Winter Olympics gave American television viewers the Tonya Harding and Nancy Kerrigan show, an all-consuming drama worthy of prime time. This time, America's skaters have not tried to cripple each other off the ice - but maybe its top hockey players will do it in full view of the cameras instead.

The National Basketball Association first ploughed the Olympic furrow by releasing its stars to play in Barcelona six years ago. Dream Teams one and two became international showcases for NBA talent - and a tool for its marketing arm.

But while the NBA gave the world the awesome talents of Michael Jordan, Charles Barkley et al, the top players from the NHL could produce something different: a decent sporting contest. Only around 20 per cent of the players in the league carry US passports. Three out of every five come from Canada, where to call hockey a national obsession would be a gross understatement. The rest are Europeans of one flavour or another, with Russia, Sweden, Finland and the Czech Republic fielding the strongest contingents. Almost all the world's top players take to the ice in the NHL.

The translation of this super-league to the Olympics will involve some tinkering. The Olympic rink is about 20ft wider than the average NHL rink, a factor which should reduce the amount of body-checking by giving faster players more room.

Olympic rules also frown more harshly on the fighting that often



Eric Lindros: \$16m deal as center for the Philadelphia Flyers

characterises hockey.

The sport's two different rulebooks both read like elaborate combat manuals, with their descriptions of the penalties for "excessive rough play" (not something recognised in the NHL), "butt-ending and spearing", "fisticuffs" and "roughing". Suffice it to say that Olympic penalties are tougher, something that should also add to the generally faster and less physical hockey played outside the NHL.

The world has waited a long time for the Olympic match-ups, says Martin Saarikangas, who heads Finland's national hockey organisation. But while he exhibits some frustration at the fact that it has taken so long for the league to free its players, it is a wonder in many ways that it has happened at all.

The Olympics, after all, come in

the middle of an 82-game season.

While some tinkering with the schedule has meant that no NHL games - and hence no television revenue - has been lost, the momentum to the season will be gone.

There have also been some deeply opposing vested interests to appease. Fox, the television network which carries the NHL, will lose the sport temporarily to rival CBS, which covers the Olympics.

The players' union has been concerned about wear and tear on players; team owners have worried about injuries to their stars. "It's a real risk - no other contact sport plays this many games a year," says Bob Russell, a Canadian who has spent 20 years coaching junior hockey teams. And, in one of the most difficult negotiations, the NHL has persuaded the Olympic organisers to

hold a two-stage contest: the top six nations will get an automatic pass to the final round of eight teams, minimising the amount of time that the league's highly paid stars will have to spend in the Olympic Village. "There definitely were some wrangles," says Steve Solomon, the league's chief operating officer and a former senior vice-president at ABC Sports.

The fact that these differences have been overcome is a testament to the amount all sides believe is at stake. Hockey may be a national passion in Canada, but it has only achieved the status of a national sport in the US in the 1990s with the spread of the game to Sunbelt cities like Dallas, Tampa Bay and Phoenix.

As a result, the sport did not have national television exposure in the US until the deal with Fox in 1993, and a cable agreement with ESPN the following year. With TV coverage comes big-time sponsorship: national sponsors will spend \$200m this year for the privilege of being linked to the league. 10 times what they paid five years ago, says Solomon.

If the NHL's US business plan is still in its early stages, then an international strategy hardly exists. While some 180 countries are said to carry NHL games, only around 10 per cent of the league's \$1.3bn licensing and merchandising revenues come from outside North America. In Europe, the NHL opened its first office in Zurich, three years ago and has its eyes on countries such as Germany and Austria, where an avid following is said to be forming. Using the Olympics as a platform for its best athletes for the first time should give the NHL the push it needs in all these places.

The business plan seems to be working well so far. The NHL recently displayed the clearest symptom of a sport that has truly joined the big leagues: the arrival of sky-high salaries.

Lindros last month reached a two-year, \$16m salary extension - a move that was widely seen as a riposte to the two-year, \$14m deal secured weeks before by Paul Kariya of the Mighty Ducks, a team owned by Disney. When the two Canadians meet in the locker room in Nagano, they will be able to compare notes.

Texas wins \$14bn tobacco deal

By Nicholas Timmins in Washington

The US tobacco industry yesterday agreed a record \$14bn settlement with the state of Texas, its biggest setback yet in the face of a spate of lawsuits.

The deal, affecting eight cigarette manufacturers, is the biggest civil settlement in US history and follows the resolution of smoking-related health claims in Mississippi and Florida, which between them cost as much as the Texas settlement. The deal also precedes what may be an even more damaging case for the manufacturers in Minnesota next week.

Details of the agreement were being announced yesterday as President Bill Clinton and the Democratic leadership sought to put fresh

pressure on Congress to agree the \$368.5bn national settlement outlined last June and impose tough anti-smoking legislation.

It was not immediately clear whether the Texas settlement would expedite federal legislation, which could overtake state settlements. Mike McCurry, White House spokesman, said tobacco companies were "clearly on the run, and on the run for good reason".

The Texas settlement - which involves R.J. Reynolds, Philip Morris, BAT Industries, American Tobacco, Brown and Williamson, Liggett, Lorillard Tobacco and United States Tobacco - is expected to include, like the Florida and Mississippi settlements, public health measures, advertising restrictions and a campaign aimed at stopping underage smoking.

The industry had said it would fight the Texas case as one of the weakest brought against it. Next week's case against the industry in Minnesota is seen as one of the strongest. Hubert "Skip" Humphrey, Minnesota's attorney-general, is one of the fiercest critics of the proposed national settlement, describing it as too weak. He is running for governor this year and is thought to be determined to push the case to trial as a way of disclosing millions of pages of documents which could prove even more damaging to the industry than those already released.

Industry sources fear such disclosures could undermine the national deal which the

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President's plans for a referendum on re-election is concentrating minds

Panama opposition struggles to unite

By James Wilson in Panama City

Most people might expect some messages of congratulations on starting a new job - especially if, like Ricardo Alemán, you have just been appointed to one of the top posts in Panama.

But when Mr Alemán arrived this week for his first day as general manager of the Colon Free Zone (CFZ), the enormous free trade zone that produces 8 per cent of Panama's gross domestic product, he would not have found any good-luck cards from his former colleagues in his in-tray.

Until he accepted the offer from President Ernesto Pérez Balladares to take charge of the CFZ, Mr Alemán was general secretary of one of Panama's largest opposition parties, fierce critics of the government which has now co-opted Mr Alemán's support.

His unexpected switch highlights the difficulties the opposition faces in mounting a challenge to the governing Democratic Revolutionary party and to Mr Pérez Balladares, who was elected in 1994 with only 33 per cent of the vote against a divided opposition.

Presidential elections are

not due until May next year but there is growing awareness that the opposition needs to sort its problems out soon to face a more

urgent challenge - the likelihood that Mr Pérez Balladares will seek, via a referendum this year, to alter the constitution to permit his re-election.

The opposition - which includes the Moltre party from which Mr Alemán has now resigned, as well as the larger Arnulfist party and the Christian Democrats - is strongly opposed to the idea of re-election. They believe it would encroach on the principles of democracy re-established in Panama after the

US toppled General Manuel Noriega in 1989.

Ricardo Arias Calderón, a former vice-president and a Christian Democrat, says that under Mr Pérez Balladares "there is centralisation and concentration of power the like of which we have not seen."

"It is in this light that we have to see the attempt at re-election."

However, another prominent Moltre member, Rodrigo Arosemena, has supported re-election - earning likely expulsion from the party, but emphasising the sense of division in the oppo-

sition ranks.

"We are stupidly divided," admits Guillermo Ford, Moltre president. "We talk a lot, we do not do a lot, and time is running out."

Opinion polls show more than 60 per cent of Panamanians oppose re-election. But Mr Ford and his allies, who will try to agree on a united presidential candidate, face a difficult choice in knowing whether to come forward early with their "ticket", and perhaps risk a re-election referendum becoming a vote on their candidate's merits, or refrain from choosing a figurehead until after a referendum.

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Baring Asset Management

Ministers expected to approve \$65m aid package for van joint venture

Daewoo to take stake in LDV

By Hely Simonian
in London

The government is expected to give its approval later this month for up to \$40m (£25m) in aid for the proposed joint venture between LDV, the Birmingham-based vans group, and Daewoo of South Korea to go ahead.

A recommendation on whether to back the deal, discussed on Thursday by a panel of experts at the Department of Trade and Industry, has been passed to ministers. They are expected to give the green light, although the application for \$40m may be trimmed.

The joint venture, which will include Daewoo taking a minority stake in LDV, involves investing more than £200m in a new generation of vans early next century. The new products should secure the 1,500 jobs at LDV and potentially create a further 2,000 by 2005.

Daewoo will build up to 120,000 units a year of the new medium and heavy vans at its Polish subsidiary. LDV will build up to a further 80,000 a year by 2005. The British-built vehicles will be sold under both badges, with up to 75 per cent being exported.

Some observers had feared

the deal might fall through after the economic turmoil in Korea, which has led to the freezing or cancellation of some investments. Matters have been further complicated by Daewoo's decision last month to buy Ssangyong, another Korean vehicles group, which also builds vans.

Daewoo officials say they remain committed to the project, although some details remain to be negotiated.

The company, in intermittent talks with LDV for almost two years, has said it will take one van for every vehicle LDV builds for itself.

The deal marks Daewoo's first investment in vehicle manufacturing in the UK. The company, which broke industry tradition by selling its cars directly to motorists rather than through dealers, bought part of IAD, an automotive engineering and design business, in 1994.

The latest deal will offer a lifeline to LDV, which rose from the ashes of the collapsed Daf group in 1993. Although the company has modernised its products, its vans date back to British Leyland designs and would have difficulty remaining competitive after 2000.

LDV will gain access to

Daewoo's engineering and product skills as well as its much bigger clout for components purchasing. For Daewoo, the deal offers instant access to the big UK van market as well as LDV's experience in manufacturing and marketing commercial vehicles.

Progress on the new van range is believed to be going smoothly, with introduction planned early next century. The project includes a proposal to export some vans to Korea, although this may have to be reviewed in the light of the recent economic circumstances and the Ssangyong acquisition.

Ballet and opera hit by round of fund freezes

By Anthony Thornecroft
in London

The Arts Council yesterday announced a freeze in funding for most of its 165 clients, with some companies receiving a cut in subsidy for 1998-99. The council's own grant from the government for 1998-99 is £184.6m (£300.8m), a cut of £15m on the previous year. Since 1993, the arts have seen a £34m reduction in funding in real terms.

Among the largest clients, The Royal Opera, the South Bank Centre, and English National Ballet will all see a cut in grant. Several organisations, such as the Ikon Gallery in Birmingham, England's largest city after London, the ICA in London, and some modern dance troupes, will gain.

Lord Gowrie, retiring chairman of the Council, which is responsible for distributing £184.6m in government aid, said: "The news is dire. The funded arts are in the worst revenue crisis of my adult lifetime."

The council made an across-the-board cut in grants of 0.8 per cent. By trimming council running costs by £500,000 and reducing reserves, many clients will now see their grant frozen at last year's figure - effectively a cut in real funding.

Graham Devlin, acting secretary-general of the council, added yesterday: "Companies have been tightening their belts to the point where in some organisations it is almost unsustainable. Most are in very grave difficulties and at the edge of survival. But I don't believe that any are in danger of closing."

Lord Gowrie added: "By prudent management we have been able to protect most people from the impact of our loss."

The reaction in the arts world was predictably downbeat. "I feel bitterly disappointed by yet another year on stand-still funding," said Adrian Noble, artistic director of the Royal Shakespeare Company. The RSC's grant has been frozen at £8.4m since 1993-94, representing an accumulated loss in revenue in real terms of £4.1m. The RSC now has a deficit of £1.6m.

Jennifer Edwards, of the National Campaign for the Arts, commented: "This is the last desperate squeeze from the tube of toothpaste. Some of our most talented people are being driven out of the live arts."

UK NEWS DIGEST

Pension opt-out rebates to rise

The government yesterday signalled its determination that the state earnings related pensions scheme should "withstand the vine" by increasing the rebates to those contracting out of the second-tier state pension.

John Denham, the pensions minister, announced that age-related rebates for personal pensions would rise from 3.4 per cent to 3.8 per cent for younger savers and by lesser amounts for older people.

The effect of this is to increase the government's contributions to personal pensions. "This is the most positive gesture yet from the government on personal pensions," said Steven Cameron of Scottish Equitable, the insurer.

Mr Denham was forced to act because of projections that millions of holders of personal pensions would opt back into Serps in April, because private pensions had been made less attractive by the abolition in last July's Budget of the tax credit on dividends.

"The rebate increase is enough to allow personal pension-holders to remain contracted out and indicates the government was nervous that lots of people would rejoin Serps," Mr Cameron added.

FILMS

Sterling fails to daunt Hollywood

Several Hollywood film studios plan to shoot blockbuster productions in the UK this spring, allaying fears the strong pound would prompt a move to other countries.

A 20th Century Fox crew began filming *Entrapment*, a comedy starring Sean Connery, at Pinewood Studio last week. Next month, a team of Universal executives will prepare for the production of the second of the three *Star Wars* prequels, directed by George Lucas, at Leavesden Studio in Hertfordshire. Universal, Paramount and Miramax have pencilled in slots to shoot at UK studios in early spring. Stanley Kubrick, the US director, is in his 15th month of shooting *Eyes Wide Shut*, a thriller starring Tom Cruise and financed by Warner Bros. at Pinewood.

The increase in US-funded productions - including MGM/UA's *Tomorrow Never Dies* and Warner Bros' forthcoming *The Avengers*, starring Uma Thurman and Ralph Fiennes - has been one of the chief catalysts for the UK film industry's recent revival.

BANK OF ENGLAND

MPs want say in appointments

The government is under pressure from respected backbenchers, including Labour MPs, to give the Treasury select committee a formal role in approving the most senior Bank of England appointments.

They have tabled an amendment to the Bank of England bill, debated next week, saying the Treasury committee should have powers to consider the "competence and personal independence" of nominees for the posts of Bank governor and deputy governor.

The MPs, led by Labour MP Giles Radice, who chairs the Treasury committee, want similar parliamentary oversight to be exercised in relation to nominees to the monetary policy committee, which sets interest rates.

Mr Radice said they were attempting to address widespread concern that the UK's central bank would become insufficiently accountable to parliament or the British electorate. MPs sponsoring the amendment include Charles Clarke, the former chief of staff to Neil Kinnock when he was Labour leader, and Tony Coleman, the Labour MP and erstwhile director of Burton, the retailer. Other signatories are Malcolm Bruce, the Liberal Democrat Treasury spokesman, and Tory MPs Quentin Davies and Sir Michael Spicer.

SHIPBUILDING

Yarrow signs \$326m Brunei deal

Yarrow Shipbuilders, the Clyde-side shipyard owned by General Electric Company, this week signed a contract worth more than £200m (\$326m) to build three offshore patrol ships for the Brunei navy. Construction of the first vessel will start next year. The order will lead to a small increase in the workforce.

Yarrow is the Royal Navy's principal supplier of Type 23 frigates. In February 1996 it won a contract worth nearly £400m for a further three ships of this type and will launch the first in May.

Racing proves an outsider in revenue stakes

British racing, rich in history, heritage and tradition, is widely recognised as the best in the world. Owners dream of the Derby, having a runner at Royal Ascot, or leading in the Grand National winner to thunderous Aintree applause.

But, although more than 1,000 meetings carrying in excess of £90m (£97.5m) in prize-money are scheduled this year for a horse population of 12,000, the sport maintains it is chronically underfunded, compared with international bloodstock competitors, and in financial crisis.

British-trained horses last year may have achieved success in the US, Europe, Hong Kong and Japan, and boasted racing's unofficial world champion, Singpiel. In the financial return the sport offers owners, however, it languishes as an also-ran in 38th place. Dependent businesses also face a struggle. The British Bloodstock Agency yesterday announced six-month interim results showing a 3.1p loss per share.

Owners in Britain subsidise the sport to a greater degree than in any other major racing nation. The top end of racing has become dependent on a few super-

Financial plan urges greater support from government and bookmakers

rich foreign investors, headed by the Maktoum family of Dubai. Domestic owners competing for the sport's smaller prizes can expect to cover less than 25 per cent of the £13,500 annual cost of having a horse in training. About 23 per cent of owners leave the sport every year.

Blame, according to a financial plan published by the British Horseracing Board this week, lies with the bookmakers and the government. In every major racing country betting underwrites the sport, but Britain's unique system diverts funding into the pockets of private bookmakers' shareholders. Via a statutory levy system, bookmakers provided £56m to the sport from their turnover in 1997, but this ranks as the least generous contribution of the big racing nations.

The government is blamed by racing for its failure to impose greater demands on the bookmakers. The Treasury is criticised for the



Owner Sheikh Maktoum with jockey Walter Swinburn on Lammtarra after their Derby win

extent to which it taxes betting turnover. Betting duty, currently 6.75 per cent, is nearly six times the percentage of turnover returned to racing in Britain, a significantly greater ratio than any of Britain's competitors.

The BHB's financial plan, which has been sent to the Home Office and the Treasury, asks government to invest £90m of its share of betting turnover into the prize money, or to ensure bookmakers contribute the balance of this sum to the sport. Racing itself aims to generate an additional £25m from self help and marketing initiatives. The BHB plan claims the total investment

of £106m would be revenue neutral for the government by creating 9,000 jobs, by stimulating betting by £450m, and by generating £183m in additional income.

Racing's main problem is the widely held perception that any financial concessions would reward petrodollar billionaires, millionaire tax-exiles, and British entrepreneurs lured to the turf by its social kudos.

Lord Wakeham, Westminster's master fixer, was persuaded to take the BHB's post of chairman to argue that racing and betting was an important industry, supporting over 100,000 jobs and earning £90m in export

income. But on Tuesday, 24 hours before the financial plan was unveiled, Lord Wakeham resigned, maintaining the plan was unrealistic in the current political climate. At a crucial time, one of racing's strongest performers declared himself a non-runner.

Usually in January, racing's biggest problem is rain, sleet and snow. The worst frost this month has been around the BHB boardroom table. The sport's long-term difficulties remain the bookmakers and the government's belief that racehorse owners' pockets are deep.

Colin Cameron

Advisers face fines on pension deadlines

By Christopher Brown-Humes

Five of Britain's largest independent financial adviser groups are facing big fines after missing a key deadline for clearing up pensions mis-selling cases.

They are Burns Anderson Independent, Countrywide Independent, DBS Financial, Financial Options and IFA Network.

The Personal Investment Authority, the watchdog for the private investor, said the companies had fallen well short of a target of completing 90 per cent of their most urgent cases by the end of December.

The five are believed to have resolved less than 70 per cent of their caseload. DBS has already been fined £425,000 for offences related to pensions mis-selling and could therefore escape a second fine.

The progress of 41 companies with the most mis-selling cases to resolve is being monitored by the Treasury and the PIA.

Some 29 of those companies had year-end deadlines and collectively they met the 90 per cent target, despite the IFA laggards, the PIA said.

Attention will now switch to the medium priority cases which have to be cleared up by the end of this year. Helen Liddell, economic secretary to the Treasury, yesterday pledged to keep up the pressure on the mis-sellers.

Mis-selling took place in the late 1980s and early 1990s, when hundreds of thousands of people were wrongly advised to take out personal pensions when they would have been better off in occupational schemes.

There is clear evidence that many IFAs are making slower progress than pension providers in dealing with the matter.

Bank donations boost charity

By Samer Iskander

After a year of record profits, jubilant bankers have donated an appropriately large amount to charity in a bidding contest at the Grosvenor House hotel in London.

In less than half an hour, banks pledged £510,695 (£995,432) to the Save the Children fund, almost double last year's figure which itself was a huge leap on 1996. "It was just fantastic," said Janet Abbott, the charity's fundraiser. "In just 20 minutes, it happened. The world's leading banks pledged nearly £1m."

More than 1,200 guests attended the annual awards dinner on Thursday hosted

by TV personality Clive Anderson and organised by International Financing Review, the specialist financial publication.

This year's donations bring the total raised by IFR for Save the Children close to £1m. The dinner raised £235,000 last year and £20,000 in 1996.

Save the Children said this year's amount was the largest raised in a single event. It hoped this year's donations would reach £1m next month at IFR's Asian Awards dinner in Hong Kong.

The bankers' generosity was fuelled by IFR's bidding system - the "virtual tombstone" - where the amount of the largest donation was

posted on large electronic screens, alongside the name of the organisation. Other donors were listed underneath, in smaller print and in decreasing order of donation size.

"Tombstones" are newspaper advertisements announcing the completion of large financial transactions. They usually contain a list of participating banks in order of their importance in the transaction.

The donors did not seem to be deterred by Clive Anderson's acerbic asides, one of which suggested that the problems being addressed by Save the Children had been caused by the policies of bankers in his audience.

The largest donation (£122,173) came from Merrill Lynch at the end of the bidding, shortly after the US bank was crowned IFR's Bank of the Year. Its president, Herb Allison, was presented with a trophy by Princess Anne, the Princess Royal, patron of Save the Children.

In a surprising decision, the donations from Union Bank of Switzerland and Swiss Bank Corporation were counted as a single bid, which temporarily propelled them to the top slot. The two banks are planning to merge.

"Perhaps this is meant to convey their confidence that the merger is going ahead," said a rival bank.

Outlook for pork futures bright as dynamic duo are captured

By Juliette Jovitt,
Wales and West
Correspondent

Britons heaved a collective sigh of relief yesterday as a week-long hunt for two pigs on the run from an abattoir ended happily with the capture by police of the second escapee.

The two Tamworth Ginger pigs were due to be reunited in a safe haven last night as a frantic media bidding war got under way to save them from the chop.

The bemused owner, road-sweeper Arnoldo Difullo, was considering five figure offers for the pair - worth only £40-£50 (£65.20 - \$81.50) each at the abattoir.

A Sunday tabloid newspaper offered £13,000, but the Daily Mail, which captured the first pig earlier this week, was said to have raised the stakes by topping its offer.

The five-month-old porkers fled on Thursday last week from Newmans abattoir in the village of Malmsbury, in the west of England, making their escape by burrowing under



Happy ending: the second fugitive in the custody of the vet

a fence and swimming across an icy river.

They went to ground for a few days in nearby fields and gardens, while a growing pack of up to 100 journalists, well-wishers, police and RSPCA officers scurried through bushes and hired helicopters to scour the area.

On Wednesday night one of the duo - nicknamed, among other things, Butch Cassidy and the Sundance Pig - surrendered to the charms of Daily Mail

reporter Barbara Davies. But while readers digested her "world exclusive" account of the coup the next morning, his partner was playing harder to get.

The regional Western Daily Press newspaper broke the story earlier this week with the unforgettable headline: Three little piggies went to market but two went on the run/they saved their bacon/with a swim in the Avon/and now the farmer's looking grum.

It now had a second

stroke of inspiration and hired a sow to lure Sundance out of hiding.

Sammy the Tammy, as the lovely lady was called, sashayed around, working her charms on the assembled on-lookers, but failed to trap her intended prey.

Eventually it was Wiltshire police and a specially trained RSPCA officer who captured the second runaway in Harry and Mary Clarke's garden, after putting it to sleep first with a tranquilliser dart.

During their eight days on the run, the two pigs captured hearts around the world, dominating headlines of national newspapers - one of which had six reporters working full time on the story - and beaming out on CNN, Sky TV and News at Ten.

Now they are in the care of Fleet Street minders until they go to live out their promised retirement in luxury at one of several animal sanctuaries which have offered them a home.

First, however, they have granted exclusive rights to their story to the Daily Mail.

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The Asian contagion

The possibility of a 1930s style slump has caused jitters on Wall Street and is seriously mooted by some US academics, including the former labour secretary, Robert Reich, now professor of social and economic policy at Brandeis university.

They are probably wrong, but the arguments are instructive. At least, there is a risk that the south-east Asian banking crisis will pull down western economies more than is now expected, particularly if there are further unpleasant surprises.

The doomsday case, briefly, is that price deflation of world commodities had already begun before the Asian crisis. The two in combination could push the US into recession and snuff out the beginnings of recovery in continental Europe. Then, with Japan in the doldrums, global recession would feed upon itself.

Central bankers on both sides of the Atlantic no doubt believe they have gained enough wisdom in the past 70 years to head off such a calamity with a prompt easing of monetary policy. Indeed market interest rates in the industrial countries already imply that short term rates this year will be about 1/2 percentage point lower than was expected before the crisis.

The authorities may point to the fact that the direct effects of the crisis are so far localised. Direct exports to the countries most affected are relatively small both from Europe and the US. And the lending of US banks to Thailand, Malaysia, the Philippines, Indonesia and South Korea represents only about 20 per cent of their international lending - roughly the same as for the UK.

Damping down

Moreover, it is argued, the recent turmoil must be seen in proportion. Debt service payments in Asia last year represented about 16 per cent of the countries' gross domestic product compared with more than 50 per cent for the countries in the Latin American debt crisis in the early 1980s.

The International Monetary Fund estimated in December that the crisis would reduce growth in the developed economies this year by about 0.3 percentage points - a significant but not disastrous amount. In the US and UK, it might be argued that such a damping down was no more than the cen-

tral banks would have sought anyway, to keep inflation under control.

But since the end of last year, analysts have become more pessimistic about the global penalties. The latest consensus of international forecasts puts the growth of world output at 2.5 per cent this year, a full percentage point below the downgraded IMF prediction.

Even this slowing hardly justifies fears of 1930s-style deflation. But it does illustrate the growing uncertainties which now beset policymakers, and so increase the chance that they will make mistakes - in either direction.

Rescue package

In Asia, there are at least four possibilities for things getting worse, and so spreading contagion via other emerging countries to the industrial powers. First (though unlikely) China might be forced into devaluation. Second, the rescue package in any of the countries could prove inadequate. Third, if the Japanese authorities fail to ease fiscal policy, the economy could slide into deep recession. Fourth, there could be a serious default in the region.

Any such development could cause serious upset in the markets, perhaps throttling the flow of funds to emerging countries and further ratcheting down world growth. A further serious worry for the US Federal Reserve would be a collapse of share and property prices. The adverse consequences for growth and employment could be much worse than in 1987, when, unlike now, the US economy was plainly overheating.

These are no more than spectres. But they will cast shadows over the central banks' discussion of interest rates. The Fed will be more anxious about precipitating a collapse in share prices than it might have been 18 months ago. The Bank of England might soften its rigour in combating inflation.

But there is another side of the story. The risk of being over accommodating may seem slight when the industrial world's inflation is running at an annual average of only about 2 1/2 per cent. But, as happened in Britain after 1987, too much easing to head off recession could have dire inflationary consequences a few years later. It is a very fine balance.

This week, dramatic changes shook up two big consumer businesses: US TV networks and sportswear worldwide. Behind both lie the rising power of popular faces, successful shows and blockbuster brands



Rush of blood: NBC's \$13m offer per episode for ER (left) and the \$18bn paid for rights to show American football are pushing US prime time TV to dizzy heights. (Photos: NBC, AP/Wide World)

Winner takes all

Within the space of three days this week, the price of hit US television programmes doubled - soaring sixfold in one case. This has started an inflationary chain reaction that will resonate across the world's living rooms.

US consumers and advertisers will be first to pay - through higher prices for TV services and commercials - for the staggering \$18bn broadcasters agreed to pay the National Football League for transmission rights to the next eight years of America's favourite sport.

International viewers may care little for the "pigskin" game, but they will suffer in their turn from the auction's immediate consequence: the bidding frenzy that ended with NBC's offer to pay \$13m an episode for ER, a hospital drama shown round the world, for which the network now pays \$2m an episode.

Gene Jankowski, a managing director at Veronis, Suhler, an investment bank specialising in media, thinks that deal will have even more impact than the football contracts. In a market where most TV series sell for no more than \$2m a show, producers of prime-time series will inevitably turn up on the networks' doorsteps demanding higher prices.

Indeed, the door is already open for some. The eponymous star of America's most popular comedy, *Seinfeld*, another global hit, was reportedly offered and

rejected fees of \$5m an episode to continue the series. More actors will demand higher pay, and the costs will be passed down to the consumer. After all, asks Mr Jankowski: "What would you do if you made a hit show and were getting a 10th of the ER price?"

So why are American broadcasters, which have been losing ground to cable TV for years, spending vast sums on blockbuster shows? What do the record fees say about the world of multi-channel TV? And what might be the effects?

The cable industry makes much of the fact that it has eroded the networks' monopoly of the viewing audience to a share of less than 50 per cent. The networks, however, may be big winners. NBC, ABC, CBS and Fox can still claim more than 60 per cent of the prime-time audience each night and they remain the only TV services to provide national coverage.

Cable services can only reach as far as their copper wire networks extend. Most of the channels on offer target specific groups of viewers, such as children or music and sports fans. Federal rules oblige them to carry all of the broadcast networks, the mass entertainment specialists that have traditionally provided "free" television in a mix of programmes designed to offer something for everyone.

For their part, the networks' blanket coverage, tuned to appeal to 18-to-50-year-old viewers with

high disposable incomes, has enabled them to defend their advertising rates - indeed consistently increase them - despite losing viewers to cable. Between 1992 and 1996, when the broadcasters' share of prime time fell 5 percentage points, their advertising revenues rose at a compound rate of more than 7 per cent a year. "For mass-market advertisers," says Mr Jankowski, "broadcast is the only show in town."

And football is the only game in town for the networks. More than 130m Americans are expected to watch the approaching Super Bowl, setting yet another advertising record. During the winter months, when TV viewing is at its peak, the networks depend on strong weekend and Monday night sports audiences to promote their evening prime-time schedules for the week ahead.

With so many channels competing for attention, whoever gets the message out ahead of the crowd and to the biggest audience is most likely to pull viewers on weekday evenings. That is when hit shows, such as NBC's *Seinfeld*, can command advertising rates of \$500,000 for 30 seconds. Rather as in sportswear (see below), the importance and the price of the most popular consumer attractions is soaring.

"It comes down to this: if you are a TV station without football, you are a second-class citizen," says Mr Jankowski.

CBS learnt that lesson in 1993, when it allowed Fox, which is owned by Rupert Murdoch's

News Corp, to outbid it in the previous auction of broadcast rights for football. With the loss of the sport, the network plunged from first to third in the rankings, where it languishes. The fledgling Fox was promoted overnight, and the Big Three which had hitherto dominated viewing became the Big Four.

CBS this week attempted to restore its fortunes by paying \$4bn (twice the old price) to show some American football games. Fox stumped up \$4.4bn for another package of games, and Walt Disney, which owns ABC and the ESPN cable sports channel, followed with a \$2.2bn deal, a grand total of almost \$11bn. That left NBC, the top-rated network, with no football on its schedule for the first time in decades.

Time Warner's TNT, the most popular cable channel in the US, was also pushed out of the game. The NFL, which started the decade earning \$500m a year from TV rights and last year collected just over \$1bn, will enter the next century with annual small-screen revenues of \$2.2bn.

But the pigskin auction was to be only the prelude. There was more serious business afoot as NBC found itself again on the defensive. Still reeling from the impending loss of *Seinfeld*, its most popular show, it was forced by counter-bids from the likes of Fox to pay more than six times the current price to keep *ER*. It had to: *ER* commands pole position in the network's Thursday night schedules - following *Seinfeld* - when promotion for the coming weekend's new film releases becomes frenzied.

Wall Street was left wondering at the sums involved in the week's transactions: the \$18bn for football rights is only slightly less than the \$19bn paid by Disney for the whole of Capital Cities/ABC two years ago. But investors were pleased to watch CBS shares on the news that it was coming back to football.

Revenues are likely to rise. A former president at CBS - the network which set the week's spiral in motion - said he expects an immediate increase in cable subscription costs and advertising rates when the new football and television seasons start next autumn.

Most analysts reckon that today's asking prices for half-minute football slots, which now range up to \$350,000, are likely to rise more than 12 per cent, compared with "normal" inflation in TV advertising rates of about 6 per cent.

As for the impact on the network rankings, the first indications will appear next November when the TV and football seasons kick off.

But it may take years - as many as four, says Mr Jankowski - for the effects on audience pulling power to become apparent at the networks' bottom line. Advertisers and consumers around the world can expect to feel the pinch long before then.

Christopher Parkes

"W" Showing a clean pair of heels

more." The message from Paul Fireman, chief executive of the US sportswear group Reebok, could hardly have been clearer. After spending hundreds of millions of dollars slugging it out with its rival to sign sponsorship deals with basketball stars, Reebok is switching to custom-made shoes and older customers, and away from mass-producing \$200 sports shoes for kids.

It looked like the white flag in what for the past decade has been one of the business world's fiercest battles, on a par with Coca-Cola/PepsiCo, or General Motors/Ford.

Only a decade ago Reebok was by some distance the dominant force in the US athletic footwear market, having overtaken Nike in the mid-1980s. With annual sales of \$991m and a 31 per cent share of the US market in 1987, Reebok was much larger than its rival, which then boasted sales of only \$597m and an 18 per cent market share.

By the start of the 1990s, however, the two were level. It was at this point the competition intensified as Nike and Reebok battled to develop what they like

to call "new footwear technologies", create ever more aggressive marketing campaigns and outspend each other in signing up the biggest sports stars to endorse their products. As the sports shoe and clothing market grew ever-faster around the world, the stakes became progressively higher.

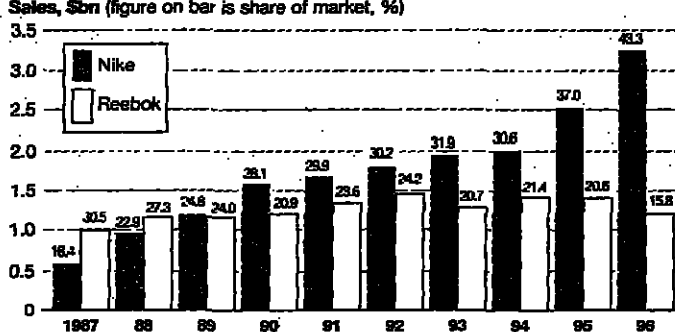
What made Nike v Reebok compelling was that the combatants were led by two charismatic generals willing to put themselves in the line of fire. Phil Knight, Nike's flamboyant founder, and Mr Fireman at Reebok were far from respectful opponents.

Mr Knight spoke of "hating" his counterpart, and once said dismissively of Reebok that "the most innovative piece of R&D equipment they have is the copy machine". In his book *Just Do It*, author Donald Katz wrote: "Paul Fireman was installed as a semi-official devil figure inside Nike, and he remains a dark presence there to this day."

In return, Mr Fireman ridiculed Mr Knight as "just a shoe guy" who fancied himself a "big-

Sports shoes: Nike races ahead

Sales, \$bn (figure on bar is share of market, %)



Source: Sporting Goods Intelligence

time presence in sports". He was also confident that Reebok would win. In 1993 he predicted his company would be back to the number one spot in the market within two years.

Yet Reebok remained rooted in second place. Nike's triumph was founded primarily on the success of its Air range of shoes, which were sold to millions of consumers with the aid of America's, and later the world's, most famous sports star - the basket-

ball player Michael Jordan. Sales of the range were driven by a marketing campaign that established in the minds of consumers a powerful connection between the Air Nike shoe and Jordan's acrobatic feats on the basketball court.

"It was an intuitively simple technology to understand," says John Horan, publisher of *Sporting Goods Intelligence*, a US industry newsletter. "It's obvious to consumers that if you put

an airbag under the foot it will cushion it."

Reebok had its own version of the idea in the Pump shoe, and although that proved popular initially, the range never really captured the imagination of the public. Reebok lacked the sort of superstar endorsement for Pump that Jordan provided for Nike's Air. Reebok tried hard to find one, paying vast sums of money to sign up Shaquille O'Neal, basketball's genial giant and a one-time pretender to Jordan's throne as the sport's pre-eminent figure.

Yet O'Neal's appeal was limited compared with Jordan's and other figures were no more successful. A new line of expensive Reebok shoes promoted by rising basketball star Allen Iverson recently failed to impress the youth market in the US.

"That stuff sells to 14-year-old boys, and there is a limited number of 14-year-old boys who are going to give you one 150 bucks for a shoe," says Mr Horan.

With its domestic market stagnant, and Reebok failing to match other brands' successes

with sports clothing, the company finally realised it no longer made sense to try to keep up with Nike.

It was Nike's willingness to pump vast sums of money into promoting its products that, perhaps as much as anything, forced Reebok to concede defeat. As sports shoes and clothing became a fashion phenomenon in the 1990s, the ability to support a brand with big, sophisticated, and hugely costly marketing and sponsorship campaigns was essential to driving sales.

Tom Doyle of the National Sporting Goods Association in the US says: "It has a lot to do with the dollars available for sports marketing," and Reebok simply did not have enough dollars. Last year Nike spent almost \$1bn marketing its brands, and Reebok just \$400m. With that kind of gap it should have been obvious earlier that the fight between the two had become an unequal one.

Yet having seen off its great US rival, Nike would be unwise

to consider its job done. Adidas, the revitalised German sportswear brand, is beginning to steal some of Nike's thunder, particularly at the more fashion-conscious end of the youth market.

Though it is much smaller than Nike (annual worldwide sales of about \$3.7m compared to Nike's \$9bn), Adidas appears willing to match Nike dollar for dollar in what is rapidly becoming sport's new battle of the brands. It recently signed several young US basketball stars to multi-million dollar endorsement deals, and outbid Nike to win the \$45m All Blacks rugby sponsorship contract. John Bartley of the London advertising agency Howell Henry Chalkdick, Lay, who worked on the Adidas account at a previous firm, believes Adidas has replaced Reebok as Nike's real rival.

This particular war, he says, will be fought on a new battlefield. "It will take Nike years to overtake Adidas in Europe, and Adidas years to catch up with Nike in the US, so it's all about new markets in places like Asia," he says. "It's the virgin territory that will decide who ultimately wins."

Patrick Harverson

Openness, not institutions

From Mr Jon Livesey.

Sir, I read with interest George Bain's comment (Letters, January 9) that a body such as Mr George Soros envisages ("Avoiding a breakdown", December 31) already exists in the form of the Multilateral Investment Guarantee Agency. According to the latest figures on that body's own web page, the amount it has guaranteed is \$2.9bn. At a guess, that is about one week's worth of South Korea's foreign indebtedness, and perhaps something less than 1 per cent of the debt overhanging the International Monetary Fund is currently trying to deal with.

More to the point, supposing the MIGA actually had guaranteed the roughly \$150bn of Korean debt and perhaps \$150bn of other debt we seem to be con-

fronting. What exactly could it do that the IMF won't do?

Guarantees are fine in times of gradual defaults, or when the risks are limited to specific, non-commercial causes, as they are with the current MIGA. But when huge amounts of debt go bad at once, we don't need guarantees, much less another international bureaucracy. We need a great deal more openness on the part of borrowers than we have had.

We need to have more rigorous and investigative lenders, who demand full disclosure from borrowers. We do not need cries of "stop me before I lend again".

Jon Livesey,
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LETTERS TO THE EDITOR

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A price not worth paying for Emu

From Mr Robert Rainford.

Sir, Your leader "How to make Emu work" (January 13) rightly identifies the EU's lack of institutions, labour market inflexibilities and uncompetitive fiscal policies, which will all act against the environment for a successful Emu. Your conclusion that the single currency is worth striving for as the way to get Europe's 12m unemployed back to work is not supported by the results of the ERM experiment. Unemploy-

ment rates in France and Germany are frighteningly high and could result in social unrest. Social and industrial policies proposed by Lionel Jospin, the French prime minister, will result in increased labour costs for industry and reduce France's competitiveness. Both countries have yet to implement many of the reforms that the UK has implemented over the past 17 years, and which will probably result in a continuing rise in

unemployment for both.

Is it not the case that it is the French and German unemployed who continue to pay the price of the Emu experiment in their countries. I, for one, do not believe that increased unemployment in the UK is a price worth paying to join Emu.

Robert Rainford,
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A leader above others

From Mr Neil Hayter.

Sir, It was at first sad to see no mention of Jo Grimond in John Ramsden's review of *The Lost Leaders* (Weekend FT, "The three pretenders", January 10-11). For surely he was head and shoulders above mere calculating politicians like Rab Butler and Iain Macleod. But then, rather than

be considered with such people, perhaps he should be regarded as the best president we have never had of the republic the UK has yet to mature into.

Neil Hayter,
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Right in one instance only

From Mr Dave Clayman.

Sir, Tony Jackson's article on deflation ("The stuff of nightmares", January 10-11) refers to "conventional LIFO accounting" - true in the US, false in the UK. The conclusion he draws only makes sense if FIFO is substituted, but then this would be

truly conventional in the UK, falsely so in the US. How hard it is to be an international financial newspaper.

Dave Clayman,
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Man in the News • Augusto Pinochet

General in his labyrinth

Chile's former dictator won't retire gracefully, says Imogen Mark

He was never going to go quietly. But at least, the government hoped, General Augusto Pinochet might go decorously when he finally resigned after nearly a quarter of a century as Chile's army commander.

The general had, after all, behaved unexpectedly well when he handed over to a civilian government, in March 1990, after 17 years in power. (Admittedly he had just been soundly beaten in a national referendum to prolong his rule.)

Now, to ease his withdrawal from the military, Eduardo Frei, Chile's president, was prepared to turn a blind eye to the massive, expensive – and entirely irregular – military parade being planned as a final act of homage. In exchange, the general was to pass over the baton to his successor on January 29 before taking up his seat as a senator for life.

Parliamentary immunity would protect him against any attempted prosecution for his responsibility in the murder, torture and disappearance of thousands of political opponents. The police would deal swiftly, and no doubt roughly, with any public demonstrations on the day the general gave up his command. Congress would close immediately for the summer recess.

But plans went badly awry this week. On Tuesday the army announced it was

delaying the handover until March 10, the last possible day. It had been rattled by a threat from junior congressmen to press charges of constitutional misbehaviour on the old general. President Frei, who had told the nation that Gen Pinochet would be abandoning his post in January, was left looking foolish.

The constitutional crisis deepened with the resignation on Thursday of the defence minister, who left warning that relations with the military were "very delicate". The government now appears uncertain what to do in the face of army pressure to get its rebellious congressmen to drop the charges.

At 83, the general is patently no longer the man he was when he came to power in the 1973 coup that overthrew Salvador Allende, the elected president. But this week's events demonstrate that he, and more particularly the army that he has nurtured, still plays a big role in Chilean politics.

In his early years he was the image of a Latin American dictator, right down to the dark glasses, the pugna-

cious jaw and the bulked-out silhouette of the bullet-proof vest. Nowadays, "the old man" – as even his subordinates refer to him affectionately – often looks shaky on his feet. His speech, high-pitched and never very distinct, is sometimes incoherent. Though he has taken to computer war games with enthusiasm – on one occasion the computer's magnetic field affected his pace-maker and sent him into hospital with dangerously low blood pressure – the army knows it needs more modern and professional leadership.

But such has been Gen Pinochet's looming presence in Chilean affairs over the past two and a half decades that, in some ways, his constitutional legacy remains as strong as ever. His successor, General Ricardo Izurieta, will have an overtly political role. Along with the other three services, the army has the right to nominate a former commander to sit in the senate. In the new congress, the army will have two senators, including Gen Pinochet; the airforce and the navy will have one each; and the police will have two

– one designated and one elected.

The four serving military commanders also sit on the eight-man national security council, equalling the votes of the president and the other three civilians. The council is there to advise the president, but the military can petition him to call it when they see fit. They are defined as the guarantors of the constitution, and can legitimately intervene whenever they judge it to be threatened.

Gen Pinochet has also ensured the armed forces a spectacular degree of financial autonomy. They receive an annual 10 per cent of the huge sales revenues of Codelco, the state copper company. Their peso budget is index-linked. Most distressing for Chile's democrats, the president – who is commander-in-chief of the armed forces only in time of war – cannot dismiss any officer, even the lowliest.

For past and present democratic governments, this situation is intolerable. It is also hard to change. All their attempts, three in all, to reform the constitution and abolish the military

enclaves have been blocked by the right-wing opposition. The two main opposition parties remain loyal to the general and the armed forces whom they supported and in whose government they served.

But the situation could be changing. Many opposition leaders would privately be glad to see Gen Pinochet consigned to the history books. His presence in the senate will not be easy for them to handle, particularly as he is talking of playing an active role – promoting social legislation and "being a friend to all Chileans".

Gen Pinochet, far from expressing penitence for his actions during military rule, to this day defends his record as the saviour of the country. If not for him, he says, Chile would have remained a backward country in the hands of communists, instead of Latin America's most consistently successful economy over the past 15 years.

But for his opponents the general's status as a senator is a source of anger for personal and political reasons. "I will have to sit in the chamber every day and look

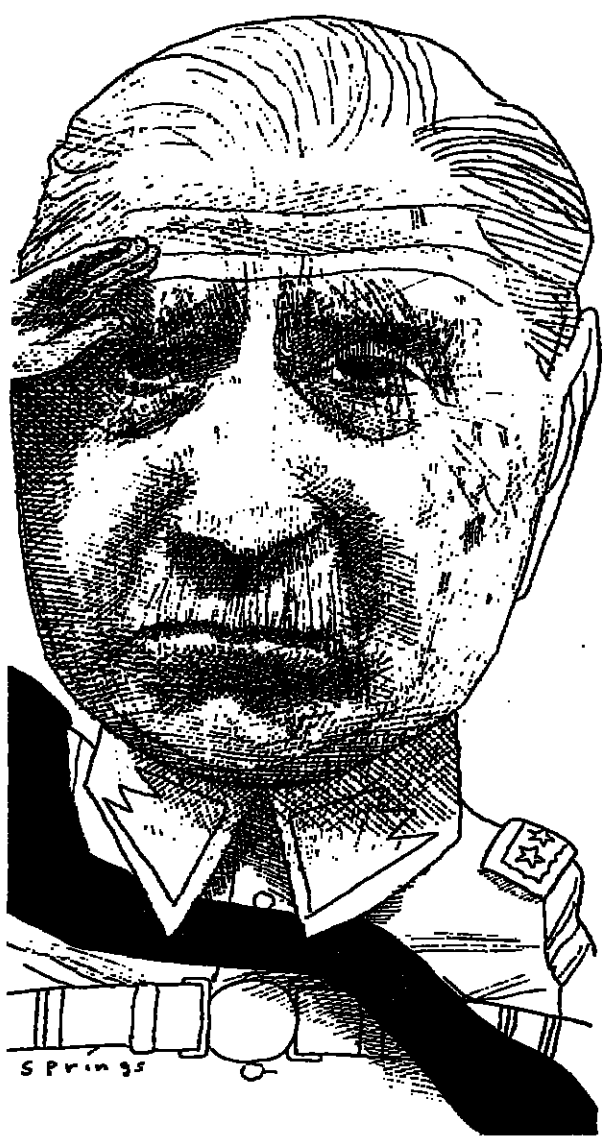
across at the man who killed and tortured my friends, kept me in a concentration camp for a year and banned me from entering my own country for 11 years," says Sergio Bitar, a senator.

Personal issues aside, says Mr Bitar, "Pinochet closed congress, burned the electoral registers, did whatever he could to delegitimise politics. Having him installed in the senate will discredit congress completely".

In the new congress, elected in December and due to take its seats on March 11, the government will be as far as ever from the two-thirds majority it needs for constitutional reform. But the prospect of having to cohabit with the old dictator has sparked a new determination in Mr Bitar and many of his colleagues. They are preparing to organise a national campaign for a referendum to demand constitutional reforms.

The opposition regards such "posturing" as irrelevant and a waste of time. The government should not let itself be distracted from "real" issues, such as the potential threat to Chile's impressive economic growth from the Asian crisis.

Gen Pinochet is a real issue, retort his opponents. Government should be for, with and by the people, not for, with and by the army. In the end, they say, that is the only true guarantee of social and economic stability.



Executives are still being murdered in Russia but crime is down and the state is fighting back, says John Thornhill

Making a killing

A Yevgeny Tsimbalistov, the 49-year-old director of the vast Rossiya hotel on Red Square, left his apartment in south-east Moscow last Friday, he was clinically dispatched with two shots to the head and chest from a Makarov pistol. No one saw the incident. No arrests have been made.

Mr Tsimbalistov became this year's first noted contract killing and the latest grim statistic in Russia's struggle against crime.

Just as many associated the Soviet Union with bleak authoritarianism and the hammer and sickle, so modern Russia conjures up images of lawlessness and the Kalashnikov, with the Russian mafia at the heart of the action.

Boris Yeltsin, Russia's president, once said that the mafia is threatening the very integrity of the state and turning the country into a "superpower of crime". In the past six years, Mr Yeltsin has ordered seven crack-downs on organised crime – to little obvious effect. The interior ministry claims that two-thirds of the Russian economy is under the sway of organised crime, including 40 per cent of the country's private businesses and more than half its 1,740 banks.

Such concerns have been amplified abroad. Last year, the Center for Strategic and International Studies, a Washington-based institute, warned that Russian organised crime represented a grave threat to western security interests. Unless the danger was confronted, it would "become impossible for the United States and other states to have traditional satisfactory dealings with an emergent Russian criminal-syndicalist state," it concluded.

But public discussion about crime is, by its very nature, subject to inflammable passions and lack of ana-

lytical clarity. Decent, law-abiding citizens, who struggle to obtain foreign visas, are gravely offended by the ill thought out linkages between Russia and crime.

Thousands of domestic and foreign businesses operate in Russia without being harassed by hoods, they argue, while the streets of Russian cities feel safer than those of some US, let alone Brazilian or South African, cities. Besides, why does everyone talk about "organised" crime in Russia when every activity is so disorganised?

There is some hope that the authorities may finally be shaking down the criminals. This week, Yuri Skuratov, the prosecutor general, announced that crime had fallen by 8.7 per cent last year. Detection rates improved.

"Thanks to the collective efforts of the law enforcement bodies, of the state machine as a whole, we have succeeded in stopping the growth of crime in the country, in establishing control over the crime situation," Mr Skuratov said.

But, as ever with Russia, the bare statistics – even assuming they are reliable – are open to interpretation. The benign view is that Rus-

Just as many associated the Soviet Union with authoritarianism, so modern Russia conjures up images of lawlessness and the Kalashnikov

sia is following the same pattern as other transition countries, namely that crime rates drop as economic growth resumes.

Moreover, those criminals who stole assets in the turmoil attending the break-up of the Soviet economy now have a strong interest in defending their property rights, preferably by legitimate means, just as the children of America's nineteenth-century "robber barons" turned into the great and the good.

But the more sinister interpretation is that criminal organisations – which recent academic studies suggest are often best analysed as rational businesses – are cartelising the market and moving further up the "value added chain". As Mr Skuratov also noted, "crime is becoming more armed, more organised, and more ingenious".

Much criminal activity – such as prostitution rings, gambling, smuggling, counterfeiting – is marked by relatively low costs of entry and strong competition. That makes earnings volatile and demands high security costs – both to protect one's own business and eliminate others.

Such considerations provide a strong incentive for criminal organisations to infiltrate established businesses and to enter into collusive agreements with government officials to defend their "rent seeking" activities. It is this alarming trend which appears to be gathering pace in Russia.

Oleg Babinov, director of the Moscow office of the Risk Advisory Group, a security consultancy, says crime is threatening Russia's prospects of economic recovery, deterring both foreign and domestic investment, and stalling the development of small businesses.

"I think the state is coming under severe pressure

from the financial-industrial groups, from the big banks and oil companies, as well as foreign investors to address this problem," he says.

"The Russian government has a clear and authentic intent to squeeze organised crime from many sectors of the economy and to marginalise and suppress it."

But defining who is and who is not criminal is difficult in Russia's anarchic market economy. The onus is on the government to clarify, strengthen, and enforce the rules of the game to reduce the causes of crime and encourage legitimate business.

The liberalisation of Russia's once-restrictive foreign trade regime has already drained several pools of corruption. The introduction of transparent and competitive auctions for state contracts and privatisations is reducing the opportunities for criminal collusion.

The shredding of much red tape, the promised introduction of a fair tax code, and the development of an effective court system, may also persuade many shadowy companies that it is simply cheaper to act legally than illegally.

But some ministers, such as Anatoly Kulikov, the increasingly-powerful interior minister, are thought to be contemplating far more drastic responses – to the alarm of some observers.

Kulikov is talking about grossly authoritarian and extra-constitutional measures that will not hit the people who are clever, and powerful, and rich. All it will do is alienate the people whom the state wants to get on its side," says Mark Galeotti, a British crime expert.

"Organised crime has almost never been defeated by police action. It depends on an upsurge of political, and social, and economic pressures to force it to the edge," he says.

When the Republican National Committee meets this weekend they will be haunted as always by the political ghost of the most revered Republican president this century. It is hardly surprising that so many are looking back with nostalgia at the Ronald Reagan era. The challenge is to find an heir to his legacy.

When he galloped into the sunset in 1989, some in the US shed tears, but most felt no great loss. George Bush was securing the Reagan legacy, and many felt it was time for a change – for "a kinder gentler America".

Nearly a decade later, with a Democratic president in his second term in the White House, the Republican party is finding it misses Mr Reagan intensely. Despite electoral success in Congress, the conservatives are deeply divided between libertarians and social conservatives.

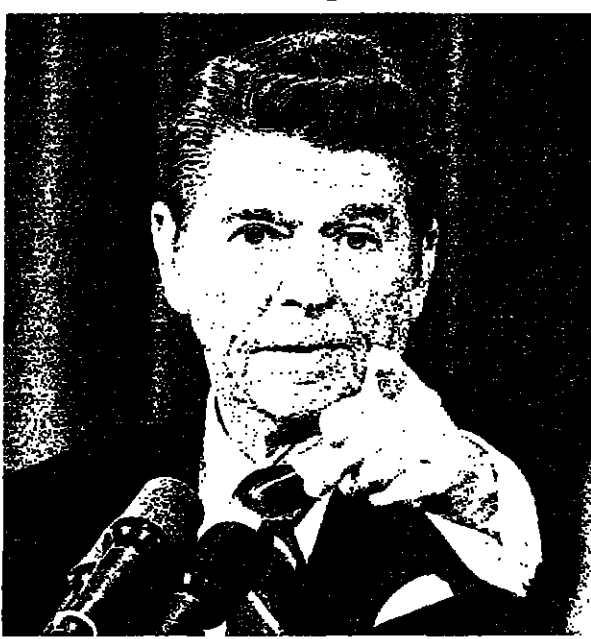
Yearning for a charismatic leader to push for simple policies they could all agree on – cutting taxes, bashing big government, waging an aggressive cold war – today's disparate leaders are outdoing each other in paying tribute to him.

Dinesh D'Souza misses the Gipper more than most. At one time a junior policy adviser in the Reagan White House and now best known as an opponent of affirmative action, Mr D'Souza has taken on a new task: to "solve the mystery" of Ronald Reagan. In doing so, Mr D'Souza is clearly hoping to do more than simply examine Mr Reagan's extraordinary career. He wants to uncover the lessons of his leadership so today's Republicans – who he sees as "utterly bereft of either vision or the resolution to pursue any major new initiatives" – can seize control back from the detested Mr Clinton.

As a result, Mr D'Souza's book is less biography than an intellectual defence of the Reagan years. He makes only a token attempt to discuss Mr Reagan's life outside the presidency. Mr D'Souza opposes the view that Mr

One for the Gipper

Mark Suzman examines the US Republicans' nostalgia for the Reagan years



Ronald Reagan: evokes nostalgia among Republicans

Reagan was an intellectual lightweight whose achievements, such as they were, were due to "pure luck".

While it is true that many assert the Reagan boom purchased prosperity through unsustainable deficits, and the Soviet Union's collapse was primarily due to internal problems, few would deny that Mr Reagan deserves some credit for both events.

That is not enough for Mr D'Souza. Mr Reagan was "the supreme statesman of his era, a leader of the calibre of Charles de Gaulle and Winston Churchill". Mr D'Souza tries too hard to cast Mr Reagan's flaws as virtues and plays down genuine errors of judgment, such as the Iran-Contra affair.

As his supporters willingly acknowledged, while Reagan was intensely ideological, he was certainly no intellectual.

In contrast to other holders of the Oval office like Richard Nixon, Jimmy Carter, George Bush and even Mr Clinton, he showed a "blithe indifference" to "the complexity of executive responsibility". Nevertheless, Mr D'Souza argues that that lack was more than compensated for by his "moral imagination" – the unshakable belief that good would triumph over evil and the details would work themselves out.

Mr Reagan had an ability to focus on the big picture, but his tenure included some famous lapses, which are difficult to explain away. He failed to recognise his own housing secretary at a mayors' meeting, and agreed to rearrange the timing of some official meetings at the behest of his wife's astrologer. Undaunted, Mr D'Souza portrays such episodes as endearing rather than fright-

ening. He also argues that the meticulous scripting of the old actor's daily schedule is evidence of focus rather than incompetence.

Mr D'Souza is most interesting when trying to uncover the reasons for Mr Reagan's enduring popularity, in particular with the working and middle classes – the so-called Reagan Democrats – who have now largely given their allegiance to Mr Clinton.

The key, Mr D'Souza argues, was that Mr Reagan was able to give the impression of being less fierce than his rhetoric. He would berate big government or the Soviets with a twinkle in his eye, suggesting he didn't quite mean it. He would make inflexible statements of principle and then prove remarkably pragmatic in cutting compromises.

That is exactly what today's new-right firebrands are unable to do. In Mr D'Souza's useful phrase, they are largely "Old Testament" politicians in the tradition of Barry Goldwater, the hardline Republican candidate who was crushed by Lyndon Johnson in the 1964 presidential race. They are ideologues convinced of their own rectitude and heedless of others' views.

Mr Reagan, by contrast, a former New Deal Democrat himself, was never absolutely hostile to what Franklin Roosevelt wrought. He merely felt it belonged to a different time and place. To end the US malaise at the end of the 1970s, the American people needed to be persuaded that a new approach was needed. No one could do that better than the Great Communicator.

The Republicans have now reverted. While a new generation of leaders may be competing to claim Mr Reagan's mantle ahead of the 2000 presidential race, none has his stature, style or popular touch. To the relief of his opponents and to Mr D'Souza's everlasting regret, the old movie star was very much an American original.

Ronald Reagan: How an Ordinary Man Became an Extraordinary Leader. Dinesh D'Souza. Free Press, \$25

Privatisation comes off the rails

Many of the new UK train companies are failing to do their job, says Charles Batchelor

Rail passengers delayed on a wind-swept station platform or crushed into their neighbour's arm-pit in an overcrowded carriage have long known that all was not well. But this week's review of train company performance by John O'Brien, an official who oversees the workings of the privatised railways, has provided unequivocal confirmation that services have got worse since privatisation.

The 25 privatised train operating companies had to hand over £2.4m (\$3.9m) in penalties to the state during the last three months of 1997 for running unpunctual trains. In the same period of 1996 the companies received bonuses, payments of £200,000 for good performance from the government.

Rail privatisation was a British invention, and a notable export. In some countries, such as Argentina, it has brought some notable improvements on lines that were pro-

viding a dreadful level of service before. But in its home market, it has so far failed to bring the benefits expected.

True, the worst fears conjured up by opponents of privatisation before the event – visions of crashed trains and bitter legal disputes between the many new rail companies – have not come to pass. What has happened is a more mundane but no less damaging failure of everyday management. This is something that even the traditional excuse of blaming Britain's not particularly severe weather ("trains are delayed because of the wrong kind of snow") can no longer hide.

"The new train companies made a blind rush at cutting costs and took out a whole layer of junior managers and senior supervisors,"

says Bill Bradshaw, a transport academic and former British Rail manager. "They were the people who knew how to make a timetable work. But because they didn't actually drive trains, their role was not very clear, so they went."

David Bertram, chairman of the Central Rail Users' Consultative Committee, the main passenger watchdog, says: "Whatever people think about running a railway, the realities are rather different when you lift the corner of the stone. There has not been enough attention to detail."

In addition to sacking the wrong people, some new train operators have failed to instil the corporate pride that BR, for all its failings, inspired in the past, according to some rail experts. "Running a railway is the

nearest thing to war," said Roger Ford, industry editor of Modern Railways magazine and a former BR manager. "You need enthusiasm and motivation to deal with 30 trains coming into your depot for an overnight wash and change of brake linings." Staff faced with the prospect of redundancy because wage costs are one of the few areas where the train operators can trim expenditure are unlikely to feel that loyalty.

It may be no coincidence that Connex South Eastern, the most heavily penalised rail company in the recent review, faces staff shortages at one of its main repair and maintenance depots and has a high incidence of drivers taking sick leave. Geoff Harrison-Mee, managing director of Connex South Central, the French-

owned operator of London suburban services, admitted to a gathering of rail managers this week that the company, which has shed more than 300 employees, "has to get back to basics".

Effective management is what distinguishes the sheep from the goats in the railway business, but all train companies face a considerable challenge in meeting the expectations created by the sell-off of BR. The transparency required from private companies means that failures which BR could hide are exposed to public view.

At the same time, operators have to cope with a backlog of underinvestment in both infrastructure and rolling stock that will take years to make up.

With between 60 and 70 per cent of train failures due

to problems with track, power supply or signalling, it is crucial that Railtrack maintains the momentum of its £16bn 10-year refurbishment programme. But while Railtrack is penalised for train delays that are its responsibility, there are fears that the incentives in the system are ineffective. Mr O'Brien, who can intervene most directly to penalise bad performance, has so far proved cautious in applying the range of sanctions at his disposal.

The Association of Train Operating Companies counters that recent performance levels have still been better than in 1993-1995, just before privatisation.

But this does not satisfy its critics. "It is all very well for ATOC to say things are better than under BR, but two years after the first

private operator took over, BR is not the comparison," says Mr Ford.

The benchmark for the companies that are failing to deliver is the more successful ones such as ScotRail, LTS Rail and Great North Eastern, which appear to be meeting passenger needs. Critics of privatisation argued that the industry was being unduly fragmented, but this is now starting to provide a lever for higher standards.

But two years into what in many cases are seven year franchises the train companies are running out of time. John Welsby, chairman of British Rail, which advises the government on rail issues, warned this week that "the honeymoon is close to being over".

The train operators must move fast if they are to



avoid renewed government intervention. Freedom from the constraints of direct political interference and public sector spending controls imposes a service obligation many in the industry have yet to deliver.

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CURRENCIES AND MONEY

Sterling gains

MARKETS REPORT
By Richard Adams

Sterling finished the week on the international currency markets nestling just below DM3, as traders revised their views on UK interest rates.

The pound strengthened almost a penny against the D-Mark to DM2.953 by the end of trading hours in London, and continued rising to DM2.960 in later trading.

The rise came after weak German retail sales figures. Klaus-Dieter Kuehbach, a Bundesbank council member, said there was no need for an interest rate rise in Germany, but that a cut was not impossible. Market sentiment expects further UK rate rises next month, after recent strong employment and wages data.

The Japanese yen continued its good performance, yesterday gaining another ¥1.5 against the dollar to

close at ¥128.98 in Europe. The currency was helped by a 6 per cent rise in the Nikkei, one of its biggest in recent years, on indications Japan's government is considering further economic stimulus measures.

The D-Mark's weakness meant the yen advanced to ¥70.6, from ¥71.26.

The Bank of Portugal cut its repurchase rate by 20 basis points to 5.1 per cent and lowered its discount rate to 4.8 per cent from 4.9 per cent.

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Dollar

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UNIT TRUSTS

WINNERS AND LOSERS

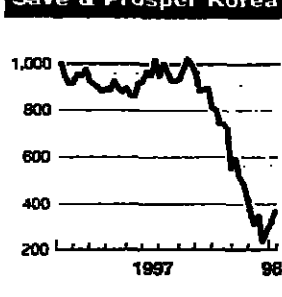
TOP FIVE OVER 1 YEAR

OF Shaw Utilities	1,378
Exeter Capital Growth	1,377
Old Mutual Swiss Equities	1,363
Royal London European Growth	1,348
Fleming Select American	1,342

BOTTOM FIVE OVER 1 YEAR

Old Mutual Thailand Acc	295
HSBC Singapore & Malaysian Gth	333
Save & Prosper Gold & Exp	351
Save & Prosper Korea	366
Fidelity ASEAN	371

Save & Prosper Korea



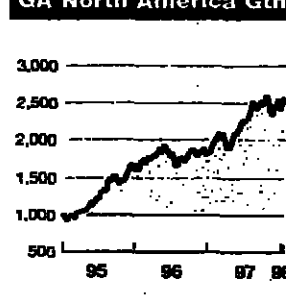
TOP FIVE OVER 3 YEARS

NatWest UK Smaller Cos	2,760
GA North America Growth	2,516
Johnson Fry Slater Growth	2,432
Hill Samuel US Smaller Cos	2,205
Save & Prosper Financial Secs	2,191

BOTTOM FIVE OVER 3 YEARS

Old Mutual Thailand Acc	203
Save & Prosper Korea	224
Schroder Seoul	259
Baring Korea	270
Henderson Japan Smaller Cos	368

GA North America Gth



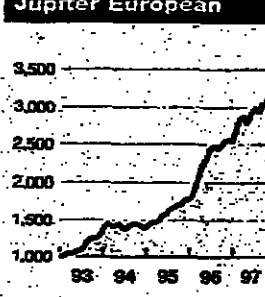
TOP FIVE OVER 5 YEARS

Old Mutual European	3,339
GA North America Growth	3,176
Jupiter European	3,113
Investco European Growth	3,047
Gartmore European Sel Opps	3,037

BOTTOM FIVE OVER 5 YEARS

Save & Prosper Korea	195
Old Mutual Thailand Acc	375
Baring Korea	435
Henderson Japan Smaller Cos	554
Baring Japan Sunrise	585

Jupiter European



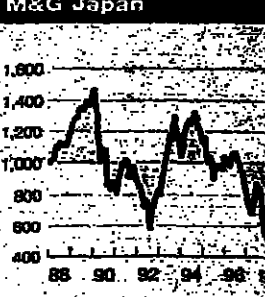
TOP FIVE OVER 10 YEARS

F&C US Small Companies	10,703
Hill Samuel US Smaller Cos	9,982
Franklin Templeton	7,334
GA North America Growth	7,071
Gartmore American Emer Gth	7,029

BOTTOM FIVE OVER 10 YEARS

Barclays Japan Inc	453
Waverley Australasian Gold	474
Henderson Japan Smaller Cos	511
M&G Japan Acc	614
Baring Japan Sunrise	623

M&G Japan



Tables show the result of investing £1,000 over different time periods. Trusts are ranked on 3-year performance. Warning: past performance is not a guide to future performance.

Source: REUTERS (Tel: 01625 511311)

Indices

Index	1 year (%)	3	5	10	Volatility	Yield (%)
Average Unit Trust	1028	1348	1883	2504	3.5	2.5
Average Investment Trust	1039	1115	1198	1804	0.0	0.7
Bank	1036	1111	1201	1805	0.0	0.4
Building Society	1211	1754	2110	3726	2.6	3.2
Stockmarket: FTSE All-Share	1040	1101	1149	1549	0.3	-
Inflation	1040	1101	1149	1549	0.3	-

UK Growth

Index	1 year (%)	3	5	10	Volatility	Yield (%)
Johnson Fry Slater Growth	1158	2432	2608	4742	3.0	0.8
Old Mutual Growth	1195	1972	2359	2623	2.5	0.5
Jupiter UK Growth	1090	1970	2776	-	2.4	2.1
Mercury Recovery	1073	1846	2007	2497	3.0	1.6
Standard Life UK Eq Growth Acc	1079	1893	2094	3912	2.6	1.2
SECTOR AVERAGE	1113	1603	1918	2803	2.7	1.7

UK Growth & Income

Index	1 year (%)	3	5	10	Volatility	Yield (%)
Fleming Select UK Income	1297	1886	2308	3200	2.6	2.8
Britannia UK General Inc	1157	1763	1905	2584	2.8	2.8
Perpetual High Income	1157	1763	2294	3582	2.7	2.1
Lazard UK Income & Growth	1163	1741	2069	3144	2.6	3.0
HSBC Footsie Fund	1257	1732	-	-	3.0	2.0
SECTOR AVERAGE	1149	1564	1867	2923	2.7	2.4

UK Smaller Companies

Index	1 year (%)	3	5	10	Volatility	Yield (%)
NatWest UK Smaller Cos	1117	2760	-	-	3.5	1.0
Gartmore UK Smaller Companies	1103	2128	2751	2868	3.3	0.3
Laurence Keen Smaller Cos	1067	1980	-	-	3.0	1.4
AES Smaller Companies	1041	1938	2288	-	2.9	1.1
Schroder Smaller Companies Inc	1061	1366	2380	2800	2.9	0.6
SECTOR AVERAGE	998	1456	1926	2255	3.0	1.6

UK Equity Income

Index	1 year (%)	3	5	10	Volatility	Yield (%)
Jupiter Income	1166	2004	2669	4730	2.2	3.8
BWD UK Equity Income	1189	1765	2330	3027	2.4	3.3
Lazard UK Income	1143	1757	2189	3705	2.5	4.2
Newton Higher Income	1224	1737	1860	3282	2.7	4.0
Metropolitan UK Income	1192	1734	1995	3690	2.6	3.8
SECTOR AVERAGE	1149	1562	1820	2886	2.6	4.1

UK Equity & Bond Income

Index	1 year (%)	3	5	10	Volatility	Yield (%)
HSBC High Income	1185	1561	-	-	2.0	5.3
AberdeenProffice Extra Income	1121	1615	1907	2771	2.4	3.9
Edinburgh High Distribution	1168	1598	1932	2239	2.4	3.6
CIS UK Income	1210	1593	1879	-	2.5	3.5
Midland Monthly Income	1210	1579	-	-	2.2	3.9
SECTOR AVERAGE	1122	1439	1782	2431	2.1	5.1

UK Eq & Bd

Index	1 year (%)	3	5	10	Volatility	Yield (%)
BWD Balanced Portfolio	1123	1785	2399	-	3.1	1.1
Perpetual High Income	1164	1694	2339	-	2.4	2.6
Credit Suisse High Income Port	1149	1637	2091	-	2.5	3.9
Canlife Income Dis	1156	1580	1907	2686	2.2	3.1
NPI UK Extra Income Inc	1072	1559	1963	-	2.2	3.1
SECTOR AVERAGE	1114	1545	1964	2652	2.3	2.7

UK Fixed Interest

Index	1 year (%)	3	5	10	Volatility	Yield (%)
AberdeenProffice Fix Interest	1120	1488	1949	2588	1.4	7.9
CU PPT Monthly Income Plus	1221	1477	1773	-	1.8	7.3
M&G Corporate Bond	1180	1480	-	-	1.8	6.3
Dresdner RCM Preference Inc	1187	1441	1725	2535	1.4	7.6
CU PPT Preference Inc	1250	1435	1671	2890	2.2	6.5
SECTOR AVERAGE	1111	1348	1509	2125	1.6	6.4

UK Gift

Index	1 year (%)	3	5	10	Volatility	Yield (%)
Baring Exempt Fixed Interest	1227	1466	-	-	2.0	6.5
M&G Gift & Fixed Interest	1167	1405	1562	2149	1.8	5.7
Mercury Long-Dated Bond	1172	1383	-	-	2.2	4.8
Gartmore PS Fixed Interest	1149	1367	1486	-	1.7	6.7
Murray Accrual Reserve	1132	1363	1481	-	1.5	6.1
SECTOR AVERAGE	1103	1274	1365	2061	1.4	5.5

International Equity Income

Index	1 year (%)	3	5	10	Volatility	Yield (%)
GI International Income Inc	1245	1659	1980	3584	2.7	2.0
Martin Currie Int'l Income	1125	1523	1903	-	2.7	4.0
M&G International Income	1095	1446	1805	3248	2.8	4.0
Investco Global Income	1137	1435	1841	2777	2.3	2.6
Primer Global 100	1045	1370	1516	1874	3.3	0.6
SECTOR AVERAGE	1103	1448	1785	2802	2.8	2.6

International Fixed Interest

Index	1 year (%)	3	5	10	Volatility	Yield (%)
Baring Global Bond	1072	1376	1481	-	1.5	4.8
Newton International Bond	1078	1325	1396	-	2.0	4.5
City Financial Beckman Int'l	1124	1318	1298	2055	2.8	6.0
Barclays BCI Int'l Fix Int Inc	1031	1280	-	-	1.0	4.9
AES Int'l Bond & Convertible	1055	1282	1356	-	1.3	5.8
SECTOR AVERAGE	1012	1149	1194	1837	1.8	5.0

International Equity & Bond

Index	1 year (%)	3	5	10	Volatility	Yield (%)
Bank of Ireland Ex Mgd Growth	1104	1590	1911	-	2.5	2.3
Fleming General Opportunities	1167	1577	1763	-	2.0	3.2
Capel-Cure Hallmark Growth	1129	1510	1719	2710	2.8	1.6
Newton Interp	1169	1489	-	-	3.4	1.4
Baillie Gifford Managed	1109	1484	1733	3110	2.7	2.4
SECTOR AVERAGE	1082	1386	1591	2532	2.4	2.3

International

Index	1 year (%)	3	5	10	Volatility	Yield (%)
Save & Prosper Financial Secs	1206	2191	2827	4758	3.4	1.2
Franklin Templeton	997	2127	2050	7334	7.1	-
Franklin Financial	1280	2039	2508	6359	3.3	0.9
AberdeenProffice Technology	976	1994	2608	7022	7.1	-
Save & Prosper Growth	1176	1863	2480	4210	3.1	1.4
SECTOR AVERAGE	1043	1331	1677	2922	3.8	1.0

Nth America

Index	1 year (%)	3	5	10	Volatility	Yield (%)
GA North America Growth	1280	2516	3176	7071	4.6	0.0
Hill Samuel US Smaller Co's	1076	2205	2524	8982	5.3	-
Dresdner RCM America Sm Co	1125	2142	2103	4208	4.7	-
Royal & SunAll Nth America	1272	2141	2736	5916	4.0	0.3
Henderson American Small Cos	1176	2065	2385	6385	5.2	-
SECTOR AVERAGE	1142	1773	1959	4585	4.4	0.5

Europe

Index	1 year (%)	3	5	10	Volatility	Yield (%)
Jupiter European	1096	2069	3113	5792	3.4	0.5
INVESTCO European Growth	1163	2027	3047	4876	4.2	-
Threadneedle Euro Sel Gt Acc R	1180	2008	2705	4166	4.4	0.1
Baring Europe Select	1102	1992	2978	4028	3.8	0.8
Newton European	1257	1958	2449	4638	4.1	-
SECTOR AVERAGE	1142	1603	2206	4068	3.8	0.6

Japan

Index	1 year (%)	3	5	10	Volatility	Yield (%)
GT Japan Growth	897	905	1324	1468	3.7	-
Baillie Gifford Japanese	992	817	1112	1312	5.8	-
Martin Currie Japan	872	809	1262	-	5.8	-
Murray Japan Growth	940	797	1135	-	4.9	-
Newton Japan	908	769	1149	1135	5.4	-
SECTOR AVERAGE	783	575	871	907	5.8	0.6

Far East inc Japan

Index	1 year (%)	3	5	10	Volatility	Yield (%)
AIB Govett Greater China	683	873	1356	2829	6.8	-
Royal & SunAll Far East	682	825	1128	1208	5.9	-
Schroder Far East Growth Inc	712	810	1294	-	5.8	0.3
Jupiter Far East Asia	776	799	1127	-	6.1	-
Friends Prov Pacific Basin	710	792	1168	1546	5.3	0.2
SECTOR AVERAGE	646	680	1007	1708	5.6	1.1

Far East exc Japan

Index	1 year (%)	3	5	10	Volatility	Yield (%)
HSBC Hong Kong Growth	716	1603	1976	6201	8.5	0.3
Friends Prov Australian	955	1287	1797	4123	4.8	-
INVESTCO Hong Kong & China	738	1257	1472	4892	8.1	0.6
Old Mutual Hong Kong	638	1127	1353	4616	8.5	1.2
Henry Cooke LG East Enterprise	749	1015	-	-	7.7	0.7
SECTOR AVERAGE	551	694	987	2964	7.1	1.2

Best Peps

Index	1 year (%)	3	5	10	Volatility	Yield (%)
NatWest UK Smaller Cos	1117	2760	-	-	3.5	1.0
Johnson Fry Slater Growth	1158	2432	2608	4742	3.0	0.8
Save & Prosper Financial Secs	1206	2191	2827	4758	3.4	1.2
Gartmore UK Smaller Companies	1103	2128	2751	2868	3.3	0.3
Jupiter European	1096	2069	3113	5792	3.4	0.5
AVERAGE UT PEP	1105	1530	1991	2827	2.8	2.7

Property

Property	1 year (%)	3	5	10	Volatility
AberdeenProffice Property Share	1124	1552	2337	-	2.8
Norwich Property	1082	1225	1616	-	1.0
Barclays Property	1030	1166	1370	-	0.9
SECTOR AVERAGE	1078	1314	1774	-	1.6

FT MANAGED FUNDS SERVICE

Authorized and Insurances

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FT MANAGED FUNDS SERVICE

MANAGEMENT

• NOTES
Gross: Contractual rate of interest payable, not taking account of the deduction of basic rate income tax.
Net: Rate of interest payable after allowing for deduction of basic rate income tax.
Gross GAIR: Gross rate annualised to take account of compounding of interest paid either then or once a year. 'Compound Annual Rate' lent On Frequency at, said* interest is added to the account.

FT MANAGED FUNDS SERVICE

OFFSHORE INSURANCES

LUXEMBOURG (REGULATED)*

Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund Managers	Equity Fund 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Offshore Insurances and Other Funds

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Highs & Lows shown on a 52 week basis

WORLD STOCK MARKETS

NORTH AMERICA

UNITED STATES (Jan 16 / US\$)

(4 per class)

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AFRICA		ASIA		EUROPE		OCEANIA		AMERICA	
ALGERIA	1.000	ALGERIA	1.000	ALGERIA	1.000	ALGERIA	1.000	ALGERIA	1.000
ANGOLA	1.000	ANGOLA	1.000	ANGOLA	1.000	ANGOLA	1.000	ANGOLA	1.000
ARGENTINA	1.000	ARGENTINA	1.000	ARGENTINA	1.000	ARGENTINA	1.000	ARGENTINA	1.000
ARMENIA	1.000	ARMENIA	1.000	ARMENIA	1.000	ARMENIA	1.000	ARMENIA	1.000
AUSTRALIA	1.000	AUSTRALIA	1.000	AUSTRALIA	1.000	AUSTRALIA	1.000	AUSTRALIA	1.000
AZERBAIDZHAN	1.000	AZERBAIDZHAN	1.000	AZERBAIDZHAN	1.000	AZERBAIDZHAN	1.000	AZERBAIDZHAN	1.000
BANGLADESH	1.000	BANGLADESH	1.000	BANGLADESH	1.000	BANGLADESH	1.000	BANGLADESH	1.000
BARBADOS	1.000	BARBADOS	1.000	BARBADOS	1.000	BARBADOS	1.000	BARBADOS	1.000
BELARUS	1.000	BELARUS	1.000	BELARUS	1.000	BELARUS	1.000	BELARUS	1.000
BELGIUM	1.000	BELGIUM	1.000	BELGIUM	1.000	BELGIUM	1.000	BELGIUM	1.000
BENIN	1.000	BENIN	1.000	BENIN	1.000	BENIN	1.000	BENIN	1.000
BHUTAN	1.000	BHUTAN	1.000	BHUTAN	1.000	BHUTAN	1.000	BHUTAN	1.000
BOLIVIA	1.000	BOLIVIA	1.000	BOLIVIA	1.000	BOLIVIA	1.000	BOLIVIA	1.000
BOSNIA AND HERZEGOVINA	1.000	BOSNIA AND HERZEGOVINA	1.000	BOSNIA AND HERZEGOVINA	1.000	BOSNIA AND HERZEGOVINA	1.000	BOSNIA AND HERZEGOVINA	1.000
BRAZIL	1.000	BRAZIL	1.000	BRAZIL	1.000	BRAZIL	1.000	BRAZIL	1.000
BURUNDI	1.000	BURUNDI	1.000	BURUNDI	1.000	BURUNDI	1.000	BURUNDI	1.000
CAMBODIA	1.000	CAMBODIA	1.000	CAMBODIA	1.000	CAMBODIA	1.000	CAMBODIA	1.000
CAMEROON	1.000	CAMEROON	1.000	CAMEROON	1.000	CAMEROON	1.000	CAMEROON	1.000
CANADA	1.000	CANADA	1.000	CANADA	1.000	CANADA	1.000	CANADA	1.000
CAYMAN ISLANDS	1.000	CAYMAN ISLANDS	1.000	CAYMAN ISLANDS	1.000	CAYMAN ISLANDS	1.000	CAYMAN ISLANDS	1.000
CHAD	1.000	CHAD	1.000	CHAD	1.000	CHAD	1.000	CHAD	1.000
CHINA	1.000	CHINA	1.000	CHINA	1.000	CHINA	1.000	CHINA	1.000
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CHINA, JIANGSU	1.000	CHINA, JIANGSU	1.000	CHINA, JIANGSU	1.000	CHINA, JIANGSU	1.000	CHINA, JIANGSU	1.000

1974-75	1975-76	1976-77	1977-78	1978-79	1979-80	1980-81	1981-82	1982-83	1983-84	1984-85	1985-86	1986-87	1987-88	1988-89	1989-90	1990-91	1991-92	1992-93	1993-94	1994-95	1995-96	1996-97	1997-98	1998-99	1999-00	2000-01	2001-02	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39	2039-40	2040-41	2041-42	2042-43	2043-44	2044-45	2045-46	2046-47	2047-48	2048-49	2049-50	2050-51	2051-52	2052-53	2053-54	2054-55	2055-56	2056-57	2057-58	2058-59	2059-60	2060-61	2061-62	2062-63	2063-64	2064-65	2065-66	2066-67	2067-68	2068-69	2069-70	2070-71	2071-72	2072-73	2073-74	2074-75	2075-76	2076-77	2077-78	2078-79	2079-80	2080-81	2081-82	2082-83	2083-84	2084-85	2085-86	2086-87	2087-88	2088-89	2089-90	2090-91	2091-92	2092-93	2093-94	2094-95	2095-96	2096-97	2097-98	2098-99	2099-00	2100-01	2101-02	2102-03	2103-04	2104-05	2105-06	2106-07	2107-08	2108-09	2109-10	2110-11	2111-12	2112-13	2113-14	2114-15	2115-16	2116-17	2117-18	2118-19	2119-20	2120-21	2121-22	2122-23	2123-24	2124-25	2125-26	2126-27	2127-28	2128-29	2129-30	2130-31	2131-32	2132-33	2133-34	2134-35	2135-36	2136-37	2137-38	2138-39	2139-40	2140-41	2141-42	2142-43	2143-44	2144-45	2145-46	2146-47	2147-48	2148-49	2149-50	2150-51	2151-52	2152-53	2153-54	2154-55	2155-56	2156-57	2157-58	2158-59	2159-60	2160-61	2161-62	2162-63	2163-64	2164-65	2165-66	2166-67	2167-68	2168-69	2169-70	2170-71	2171-72	2172-73	2173-74	2174-75	2175-76	2176-77	2177-78	2178-79	2179-80	2180-81	2181-82	2182-83	2183-84	2184-85	2185-86	2186-87	2187-88	2188-89	2189-90	2190-91	2191-92	2192-93	2193-94	2194-95	2195-96	2196-97	2197-98	2198-99	2199-00	2200-01	2201-02	2202-03	2203-04	2204-05	2205-06	2206-07	2207-08	2208-09	2209-10	2210-11	2211-12	2212-13	2213-14	2214-15	2215-16	2216-17	2217-18	2218-19	2219-20	2220-21	2221-22	2222-23	2223-24	2224-25	2225-26	2226-27	2227-28	2228-29	2229-30	2230-31	2231-32	2232-33	2233-34	2234-35	2235-36	2236-37	2237-38	2238-39	2239-40	2240-41	2241-42	2242-43	2243-44	2244-45	2245-46	2246-47	2247-48	2248-49	2249-50	2250-51	2251-52	2252-53	2253-54	2254-55	2255-56	2256-57	2257-58	2258-59	2259-60	2260-61	2261-62	2262-63	2263-64	2264-65	2265-66	2266-67	2267-68	2268-69	2269-70	2270-71	2271-72	2272-73	2273-74	2274-75	2275-76	2276-77	2277-78	2278-79	2279-80	2280-81	2281-82	2282-83	2283-84	2284-85	2285-86	2286-87	2287-88	2288-89	2289-90	2290-91	2291-92	2292-93	2293-94	2294-95	2295-96	2296-97	2297-98	2298-99	2299-00	2300-01	2301-02	2302-03	2303-04	2304-05	2305-06	2306-07	2307-08	2308-09	2309-10	2310-11	2311-12	2312-13	2313-14	2314-15	2315-16	2316-17	2317-18	2318-19	2319-20	2320-21	2321-22	2322-23	2323-24	2324-25	2325-26	2326-27	2327-28	2328-29	2329-30	2330-31	2331-32	2332-33	2333-34	2334-35	2335-36	2336-37	2337-38	2338-39	2339-40	2340-41	2341-42	2342-43	2343-44	2344-45	2345-46	2346-47	2347-48	2348-49	2349-50	2350-51	2351-52	2352-53	2353-54	2354-55	2355-56	2356-57	2357-58	2358-59	2359-60	2360-61	2361-62	2362-63	2363-64	2364-65	2365-66	2366-67	2367-68	2368-69	2369-70	2370-71	2371-72	2372-73	2373-74	2374-75	2375-76	2376-77	2377-78	2378-79	2379-80	2380-81	2381-82	2382-83	2383-84	2384-85	2385-86	2386-87	2387-88	2388-89	2389-90	2390-91	2391-92	2392-93	2393-94	2394-95	2395-96	2396-97	2397-98	2398-99	2399-00	2400-01	2401-02	2402-03	2403-04	2404-05	2405-06	2406-07	2407-08	2408-09	2409-10	2410-11	2411-12	2412-13	2413-14	2414-15	2415-16	2416-17	2417-18	2418-19	2419-20	2420-21	2421-22	2422-23	2423-24	2424-25	2425-26	2426-27	2427-28	2428-29	2429-30	2430-31	2431-32	2432-33	2433-34	2434-35	2435-36	2436-37	2437-38	2438-39	2439-40	2440-41	2441-42	2442-43	2443-44	2444-45	2445-46	2446-47	2447-48	2448-49	2449-50	2450-51	2451-52	2452-53	2453-54	2454-55	2455-56	2456-57	2457-58	2458-59	2459-60	2460-61	2461-62	2462-63	2463-64	2464-65	2465-66	2466-67	2467-68	2468-69	2469-70	2470-71	2471-72	2472-73	2473-74	2474-75	2475-76	2476-77	2477-78	2478-79	2479-80	2480-81	2481-82	2482-83	2483-84	2484-85	2485-86	2486-87	2487-88	2488-89	2489-90	2490-91	2491-92	2492-93	2493-94	2494-95	2495-96	2496-97	2497-98	2498-99	2499-00	2500-01	2501-02	2502-03	2503-04	2504-05	2505-06	2506-07	2507-08	2508-09	2509-10	2510-11	2511-12	2512-13	2513-14	2514-15	2515-16	2516-17	2517-18	2518-19	2519-20	2520-21	2521-22	2522-23	2523-24	2524-25	2525-26	2526-27	2527-28	2528-29	2529-30	2530-31	2531-32	2532-33	2533-34	2534-35	2535-36	2536-37	2537-38	2538-39	2539-40	2540-41	2541-42	2542-43	2543-44	2544-45	2545-46	2546-47	2547-48	2548-49	2549-50	2550-51	2551-52	2552-53	2553-54	2554-55	2555-56	2556-57	2557-58	2558-59	2559-60	2560-61	2561-62	2562-63	2563-64	2564-65	2565-66	2566-67	2567-68	2568-69	2569-70	2570-71	2571-72	2572-73	2573-74	2574-75	2575-76	2576-77	2577-78	2578-79	2579-80	2580-81	2581-82	2582-83	2583-84	2584-85	2585-86	2586-87	2587-88	2588-89	2589-90	2590-91	2591-92	2592-93	2593-94	2594-95	2595-96	2596-97	2597-98	2598-99	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**The sky's the limit for
airline travellers,
courtesy of Collins
communications systems
for two-way phone calls
and faxes.**

Rockwell

<http://www.rockwell.com>

INDICES

[illegible]

	Jan 16	Jan 15	Jan 14	1997/98	Low	High
Japan	1207.71	1149.11	1080.26	265/67	1120.89	121/98
1207.71	1149.11	1080.26	265/67	1120.89	121/98	
South Africa	338.57	525.47	528.35	1271/57	252/97	477.12 13/98
UK	4590.05	4650.14	4268.48	2110/97	338.45	21/97
Netherlands	1085.4	1070.13	1060.2	1194/60	7/97	730.03 21/97
338.21	614.58	612.44	624/19	77/97	616.01	21/97
New Zealand	2298.31	2118.54	2206.40	793.88	33/97	218.29 21/97
China	1994.38	1903.34	1983.80	2287.58	221/97	163.003 21/97
Philippines	1674.63	1709.85	1684.02	3447.89	32/97	161.006 91/98
South Korea	4031.57	369.85	3098.12	1511.96	21/97	116.555 21/97
Singapore	370.87	369.58	366.38	573.03	177/97	326.62 12/1/98
Taiwan	807.57	794.67	715.1	1598.6	127/97	670.10 57/97
Indonesia	6870.49	6483.77	6364.1	8314.28	7/97	6715.10 121/98
Thailand	488.10	505.94	475.33	732.29	176/97	368.08 121/97
Spain	6571.21	6600.0	6559.31	6741.11	76/98	434.54 21/97
Sweden	2947.75	2944.22	2933.12	3011.95	7/97	2376.59 21/97
Switzerland	8274.0	8265.94	8145.68	8097.89	71/98	3922.92 91/97
Denmark	3991.12	3625.54	3632.67	3907.87	71/98	268.29 61/97
France	7798.10	7770.77	7765.25	10116.80	25/97	6944.75 91/97
Germany	3354.61	361.12	367.68	658.67	23/97	650.29 241/197
Turkey	38.81	339.59	329.63	371.40	51/98	28.63 21/97
US	3300.5	3319.9	917.4	981.89	107/97	794.30 14/97
US Capital Index	2259.81	2268.41	2263.74	2294.70	7/97	1882.08 21/97
2259.81	2268.41	2263.74	2294.70	51/98	1882.08	21/97
14	14	14	14	14	14	14
136.19	131.09	121.09	116.81	107.97	125.10	127/98
US Chemical Index	2259.81	2268.41	2263.74	2294.70	7/97	1882.08 21/97
2259.81	2268.41	2263.74	2294.70	51/98	1882.08	21/97
14	14	14	14	14	14	14
136.19	131.09	121.09	116.81	107.97	125.10	127/98
US Energy						

	Jan 16	Jan 15	Jan 14	1997/98	Low	High
Industrials	7891.77					
Home Rents	105.48					
Transport	322.95					
Utilities	264.7					
DJ Ind. Div.'s High 2003						
Day's High 7793.94 (7/98)						
Standard and Poors Composite	1153.50					
Industrials	67.93					
Financial	113.29					
Others	497.95					
NYSE Comp.	655.54					
NYSE Comp.	655.54					
NASDAQ Comp.	547.08					
Russell 2000	151.75					
RATIOS						
Dow Jones Ind. Div.						
S & P Ind. Div. Yield						
S & P Ind. P/E ratio						
N & P World. P/E ratio						
Thursday	Stocks traded					
Compustat	7,593,100					
NYSE	4,407,229					
NYSE Comp.	4,883,190					
Midcap	4,510,800					
Pd. Index	4,479,221					
Bolton	4,293,540					
Unipol	4,218,400					
Hedgefunds	3,959,400					
Singapore	3,780,100					

U.S. INDICES

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[illegible]

11.55	1.88	2.0	1
33.88	6.20	9.9	2.6
33.22	6.88	9.9	2.6

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COMPANIES AND FINANCE

Analysts say defence may be strong enough to elicit higher offer from Hercules

Colloids outlines growth strategy



David Farrar: has completed 'process of change'

By Roger Taylor

Allied Colloids, the UK chemicals group, yesterday hit back at the £1.1bn hostile bid from Delaware-based Hercules by forecasting strong profits growth this year and outlining strategies to drive further increases in the future.

Allied Colloids said that profits to March 1998 would rise 36 per cent to £74m and identified a further £11.5m saving for the following year, which on a pro-forma basis would lift profits to £84m before allowing for sales increases.

David Farrar, chief executive, said the company had completed a "process of change" since he became chief executive in 1995 and was now focused on profit. He added that the bid had "brought home to everyone" the need to change.

Schroders, advising Allied Colloids, said that the company could point to two

years of rising profits and deserved to be valued at a premium to the market. Even on a market rating, Schroders said the shares were worth 157p on the company's forecast. It urged investors to reject Hercules' cash offer of 165p a share.

Allied Colloids also said that measures to improve productivity at existing plants would produce a significant increase in capacity over the next five years. The company would have the potential to increase sales by £25m in 1998, rising to £52m by 2003.

Analysts said that the defence was strong enough to prompt a higher offer from Hercules. The £74m pre-tax profits forecast for this year was within the range of brokers' expectations but some increased their forecast for the following year.

Andrew Stott of Barclays Capital BZW questioned whether the £11.5m of

savings could be converted into additional profit. However, he raised his estimated fair value bid price to 180p. The shares closed up 2½p at 169½p yesterday.

Hercules described Allied Colloids statements as "predictable and uninspiring" adding that the cost savings identified by the company would be lost to price competition.

"An effective, ongoing cost improvement programme is necessary merely to keep pace with the rest of the industry and combat future margin erosion," it said.

Hercules also pointed out that £1.8m of the £11.5m savings came in the form of raw material costs savings, which could benefit competitors as much as Allied Colloids.

Hercules has extended its offer until January 23 and had received acceptances for 0.96 per cent of Allied Colloids' shares at the last closing date.

CSFB to cut more than 300 BZW jobs in London

By Clay Harris, Banking Correspondent

More than 300 London-based staff in the BZW businesses bought by Credit Suisse First Boston would lose their jobs, the Swiss-owned investment bank said yesterday as the affected individuals were called in to learn their fate.

CSFB would only be keeping about two thirds of the 960 employees which came with the ex-BZW corporate advisory and UK and European equities operations, according to Christopher Carter, head of European corporate and investment banking.

The bank yesterday made redundant more than 30 staff in the corporate advisory business, whose purchase it completed last month. It summoned more than 200 others to the equities research, sales and trading operations to individual meetings.

This began a "period of consultation" which, for most, will end in redundancy. The timing of departure may depend on when CSFB completes the final step of the lengthy purchase process, which could be as late as April.

More than 100 of the former BZW staff did not face any uncertainty yesterday because they had signed up for retention packages before the purchase was announced. CSFB said those packages would add £50m (£81.5m) in costs to the £100m it paid Barclays for the European businesses. After integration costs, CSFB expects to have made a net investment of £175m.

Earlier this week, CSFB bought a few parts of BZW's equities operations in Asia and agreed to hire staff from some other parts of the business. It plans to take on 200 staff in all, leaving at risk the 500 BZW staff in the region not included in the deal.

The CSFB cuts pale in comparison with those expected to be announced shortly as a result of the planned merger between Swiss Bank Corporation and Union Bank of Switzerland, where up to 4,000 jobs may be lost in London alone.

SBC and UBS are working down tier by tier in determining who stays and who goes. Next week, the 100 or so managing directors will be advised whether they have a future in the proposed new Union Bank of Switzerland. The process is expected to be completed by mid-February.

Peregrine arms seek buyers

By John Fiddling and Clay Harris

Peregrine Securities (UK), the London stockbroker subsidiary of the collapsed Hong Kong-based investment bank, yesterday gave assurances about its own solvency as efforts mounted to find a buyer for the group's equities business.

Colin Bird of Price Waterhouse, the accountancy firm which is handling the liquidation of the parent group, said Peregrine was looking for buyers for the UK and US subsidiaries as well as the Asian businesses.

Of the UK broker, he said: "It does not have a problem because its parent has gone bust. It has net worth and cash which should allow it to hold the fort."

Until its collapse, Peregrine had one of the region's most profitable equities operations with a strong franchise in Hong Kong and China. It was one of the largest underwriters of mainland issues, notably red chips, the Hong Kong subsidiaries of Chinese conglomerates or government agencies.

Chinese-backed banks view Peregrine as a means of acquiring an international distribution channel. Financial sources in Hong Kong said it seemed likely that Francis Leung, managing director and a pioneer of mainland equity issues, could emerge at the head of Peregrine's equity operations, perhaps backed by a Chinese bank.

Kwong Sang Hong, Peregrine's property arm, said yesterday it had received a number of approaches.

CPF in talks with banks after dispute

By Norma Cohen, Property Correspondent

Compagnie de Participations Financières (Luxembourg), the Aim-listed company which invests in European property, yesterday said it was having funding difficulties and was holding urgent talks with its bankers with no certainty of success.

Its shares fell by 150p, or 40 per cent, to 307½p. Directors could not be reached for comment yesterday.

The Luxembourg-based company said the difficulties stemmed largely from a dispute with a shareholder, the Nurnberg Company, as trustee for a charity, the Nurnberg Trust. According to a statement from CPF, Stefan Schepers, the trust's representative, had written to the company's bankers and suppliers informing them that no instructions

would be regarded as valid by a future board.

Mr Schepers is listed as the chairman of CPF in the Hemmington Scott Company Guide.

"This correspondence has significantly affected the situation of several group companies," CPF said. "The inter-relationship between group banking and other business relations in the light of these difficulties has caused the board to conclude that increased liquidity must be sought as a matter of urgency. The directors of CPF are discussing these matters with their principal bankers but there is no certainty of success."

The company has called an extraordinary meeting for February 6 to approve restructuring proposals, accept the resignations of the existing directors and to

appoint new directors. Grant Thornton Luxembourg, the company's auditors, have resigned, saying they are only prepared to work with the existing board.

CPF said that unless it had the support of its bankers and the restructuring proposals were approved, "continuity of group companies is day to day, and depends entirely upon future asset sales, which continue to be much more difficult than anticipated."

Two directors, Mr GJ Wilson and Mr A McGivern, have tendered their resignations with effect from December 31 1997. The company said this was done to reduce costs.

Neill Clerk Capital, the company's Aim-nominated adviser, has not received copies of the restructuring plan. The plan was prepared by the directors without reference to Neill Clerk it said.

Sibir set to take control of former parent Pentex

By Cathy Newman

Sibir Energy, the Aim-listed oil group, is in talks about taking over Pentex Energy, its former parent.

The discussions started after a fall in the price of crude oil forced Pentex to abandon an agreement with Enron, one of the world's largest integrated natural gas and electricity groups.

Pentex, which has a 40 per cent stake in Sibir, agreed in November to sell a third of its UK oil production to Enron for the next eight years. But the price of crude oil has since dropped by almost 20 per cent, and Pentex has been advised to merge with Sibir instead.

A takeover by Sibir would be an all-paper deal, Henry Cameron, chief executive of Pentex and Sibir, said yesterday. "It would be our hope to

make an announcement very soon, in days rather than weeks," he added.

Mr Cameron would remain chief executive of the enlarged company. Pentex set up Sibir in 1986 and the two companies still share some management facilities. Sibir, which is capitalised at £157m, is worth more than its former parent. Mr Cameron said yesterday that Sibir was Pentex's "most valuable asset".

Sibir said its future was "transformed" when it increased its holding in Ugnafret, a company that owns oil fields, to 31 per cent late last year. The purchase enabled Sibir to accelerate its strategy of developing large fields in western Siberia. Sibir said at the time it would raise \$45.4m to fund the acquisition through a placing and open offer.

When Pentex announced its deal with Enron it disclosed a plan to raise £5.4m through a rights issue. Yesterday, the company said it would enlarge that rights issue to raise £7.6m. Pentex said this would let it take up its entitlement to the Sibir offer.

"It is really disappointing that after a great deal of work with Enron, external factors meant we could not proceed," Mr Cameron said. Enron had agreed to buy an 11 per cent stake in Pentex and said it would provide up to £70m of financing. Pentex had also planned to issue warrants, but said yesterday that, since the deal with Enron had been abandoned, the warrants issue would also be withdrawn.

Sibir shares closed up 2½p to 44p, and Pentex shares increased 2½p to 24½p.

Glynwed hit by fears of manufacturing slowdown

By Richard Wolfe

Forecasts of a slowing in UK manufacturing led to a profit downgrade for Glynwed International yesterday despite the engineering group's sale of a further three businesses in its attempt at repositioning.

The shares fell 13½p to 240p after Glynwed's forecast profits for next year were downgraded by broker ABN Amro Hoare Govett.

Colin Campbell, engineering analyst, said Glynwed's pre-tax profits would stand at £79m (£128.5m) in 1998, £10m lower than previous forecasts and £7.3m lower than last year's pre-tax profit

before exceptional.

He said: "This year is going to be bumpy as manufacturing slows in the UK, with lower volumes and more import penetration. Glynwed has disposed of its poorly performing areas, but the majority of its earnings still come from the UK." Yesterday's sale of three subsidiaries brings Glynwed's total disposals to 16 companies over the past 18 months, representing turnover of about £170m. The most significant sales were Glynwed Foundry Products and Wednesbury Tube, the copper pipe producer which was one of the founders of Glynwed.

Leavitt Electropaint, Iso-Systems and PTFE Fabricators, which all serve construction markets, were sold for a total of £3.3m.

Glynwed has now renamed its consumer and construction division, which is led by its successful Aga-Rayburn and Flavell-Leisure cookers businesses. The division, now called consumer and food services, is one of Glynwed's key operations alongside its pipe division.

Glynwed said it would seek acquisitions of up to £100m in consumer products and pipe systems, as part of a strategic shift under Tony Wilson, its new chief executive.

Argos warning after drop in Christmas sales

By Peggy Hollinger

Argos shares fell more than 12 per cent yesterday as the high street catalogue retailer issued its third profits warning in just over a year and revealed a drop in sales over the crucial Christmas period.

The company's shares tumbled 63p to 432p. It marks the lowest level in more than two years for the former stock market darling.

Analysts said the trading statement, which came at the end of a grim week for UK retailers, was far worse than expected.

"It shows a 1.5 per cent fall in sales in the run-up to Christmas which is against a very weak base," said one analyst. Argos shares tumbled 15 per cent in January last year when it first warned of a sharp slowdown in sales growth.

Analysts' 1997 profit expectations were cut by some £13m (\$21.2m) to about £132m, before the £7m provision announced yesterday to cover cost-cutting measures, with 1998 forecasts pulled back from about £160m to £140m. Some said the statement raised questions about the manner in which Argos operated.

"It is a very inflexible modus operandi," said one. "They have to fix the catalogue ahead of other retailers and set the product

range and price."

Bob Stewart, Argos finance director, rejected suggestions that the company's methods of retailing were unwieldy or outdated. However, he accepted that Argos would have to make improvements to customer service. The group was trialling a home shopping operation which, if successful, would start in all stores next year at a cost of £12m-£14m.

Mr Stewart defended Argos's performance, which showed sales for the year to December 27 ahead by 9.5 per cent. Comparable sales were 3 per cent ahead.

However, sales in the third quarter had been flat on last year, and 1.5 per cent lower on a comparable basis in the five weeks to December 27, largely because of a 5 per cent decline in three core product areas - toys, jewellery and small electricals. These ranges account for 50 per cent of sales in the run-up to Christmas. But Mr Stewart said the group had held or improved market share in all but the toy sector, while all markets had been weak overall.

There was also some evidence that consumers were deferring purchases until after Christmas, said Mr Stewart. Like-for-like sales were 11 per cent ahead in the two weeks after Christmas.

Dissidents win Richards battle

By Robert Wright

A bitter battle over the board composition of Richards, the Aberdeen-based textiles manufacturer, ended yesterday with victory for dissident shareholders at an extraordinary meeting.

M&G and Invesco, which hold 38.8 per cent, called the EGM because they were unhappy with the performance of the company, which has made pre-tax losses in each of the past six financial years.

The dissidents, advised by Rutherford Manson Dows, an accountancy firm, wished to remove Ray Dinsdale, chief executive, Brian Gilbert, chairman, and Fred Dalgarno, a director.

They proposed Ian Lakin, a business consultant, as chairman, David Staveley, a former manager of divisions with Coats Viyella, as chief executive, and Graham Sharp, a corporate financier, as a non-executive director.

The company said yesterday that the three targeted directors had resigned "having regard to the wishes of the shareholders".

The new directors took up their posts immediately.

The company did not reveal the precise voting figures, but the dissidents had said some weeks ago in a letter to shareholders that they had been promised an almost unbeatable 46.3 per cent of the shares.

The dissidents also wished to consider redevelopment of Richards' main Aberdeen factory, an option the existing management considered impracticable because it is a listed building.

Redevelopment of a new factory would be more expensive than staying put, the board had said.

The argument became particularly unpleasant after the targeted board members claimed in a letter to shareholders that Mr Staveley's CV was misleading.

It cast doubt on the accuracy of figures given for performance of Coats Viyella in Australia under his management, and of a sportswear manufacturer where he was chief executive.

The dissidents angrily denied the claims against Mr Staveley, saying figures given by Richards did not relate to the subsidiaries for which Mr Staveley was responsible.

Compco sells Farringdon Point

Compco, the property investment and development company, has sold its freehold interest in Farringdon Point, London, to Scottish Life Assurance for £4m, a net profit of £1.3m. The building produces an annual income of £357,000.

RESULTS

	Turnover (£m)	Pre-tax profit (£m)	EPS (p)	Current dividend (p)	Date of payment	Dividends corresponding dividend	Total for year	Total for year
British Bloodstock — 6 mths to Sept 30	2.5 (2.38)	0.124 (0.123)	3.18 (3.2)	-	-	-	-	2
Ewart — 6 mths to Dec 31	7.27 (6.39)	1.054 (0.824)	2.35 (1.92)	0.75	Mar 5	0.7	nil	1.5
Osprey Comms — yr to Sept 30	31.9 (32.6)	0.519 (0.712)	1.84 (2.2)	nil	-	nil	nil	nil
Investment Trusts								
	NAV (p)	Attributable earnings (£m)	EPS (p)	Current dividend (p)	Date of payment	Corresponding dividend	Total for year	Total for year
BZW Commodities — Yr to Oct 31	144.8 (136.5)	6.47 (25)	8.3 (32)	-	-	-	-	-
IT of ITs — 6 mths to Oct 31	128.6 (126)	0.066 (0.011)	0.25 (0.04)	-	-	-	-	-

Earnings shown basic. Dividends shown net. Figures in brackets are for corresponding period. ▲After exceptional charge ▼After exceptional credit. †On increased capital.

NEWS DIGEST

Tomkins sizes up Spillers

Tomkins, the industrial conglomerate, has expressed an interest in buying the Spillers milling business of Dalgety, the petfood and agricultural products company.

Associated British Foods is also looking at the company and others are believed to be interested, including Baxby and Greenacre of Ireland. Spillers currently has about 13.5 per cent of the UK flour milling market.

Brokers expect the operation, which is part of Dalgety's ingredients division, to sell for about £300m. Analysts estimate sales of £223m for last year and profits before interest and tax of £17m.

Tomkins has its own milling and baking division, which includes Ranks Hovis, the breadmaker. This week it reported operating profits of £17.4m on turnover of £338m for the six months to November 1.

The company has been under pressure from shareholders to spend its £188m cash pile and increase its debt. This week, the company resisted calls for a share buy-back saying it was considering a number of large acquisitions which could easily lift gearing to over 15 per cent.

In September Richard Clothier, the former chief executive of Dalgety, resigned after the company announced a restructuring programme to raise about £350m from disposals and return at least £200m to shareholders.

Roger Taylor

Moody's warns banks

Five European banks could see their credit ratings cut because of their exposure to the financially troubled countries of eastern Asia, Moody's, the US credit rating agency, warned that it was reviewing Standard Chartered of the UK and Commerzbank, Bayerische Landesbank, Westdeutsche Landesbank and Norddeutsche Landesbank of Germany for possible downgrade.

Moody's said its review of Standard Chartered, whose business is heavily centred on Asia Pacific, focused on its exposure to the most troubled economies of the region, including Indonesia, South Korea and Thailand. The agency will also review the bank's Malaysian operation, which it said was "one of the most important elements of its Asia Pacific franchise after Hong Kong and Singapore".

The review of Commerzbank reflects its "more modest economic capitalisation", said the agency. The bank's exposure to several Asian markets could erode some of the improvements in its domestic earnings in recent years. The three Landesbanks will keep their triple-A ratings for long-term debt, because they are backed by a government guarantee. However, their financial strength ratings, which do not assess the likelihood that they would be bailed out by their state shareholders, will be reviewed because of increasing concerns about their comparatively large exposures to parts of the east Asian market.

George Graham

Christie's to cut 60 jobs

Christie's International, the auctioneer facing a £500m bid approach from SBC Warburg Dillon Read, yesterday told staff in London and New York that 60 jobs were being cut.

The group, which employs a total of 1,900 worldwide, said the job losses had nothing to do with SBC Warburg's approach. They were the result of a review started several months ago in an attempt to cut costs and reorganise the management structure.

SBC Warburg is investigating the possibility of a private equity consortium making an offer for the group. After an initial rebuff, it was last month understood to have raised its offer to 300p a share.

Christie's decided that the revised offer formed a basis for starting negotiations, but SBC Warburg said an offer would only be made on the board's recommendation and after due diligence had been satisfactorily completed.

David Blackwell

Ewart revalues after approach

Ewart, the Belfast-based property company, has revalued its land and buildings after an unsolicited £21m bid from Dunloe House, a Dublin property company.

Net assets per share unveiled yesterday alongside results for six months to December 31, increased from 62½p in 1996 to 81p. Dunloe has offered 67p cash or an 18-for-5 share exchange, which with Dunloe's shares at 20½p is equivalent to 74p.

Pre-tax profits were up a third to £1.08m. Ewart is due to issue its formal defence document next week.

In its original approach, Dunloe argued that a merger of the two groups could take advantage of the all-island property market. But Belfast brokers believe the Dunloe offer is opportunistic.

Noel Smyth, Dunloe's chairman, owns 26 per cent of Ewart and is a non-executive director. The market's view is that he cannot lose - if he fails to acquire Ewart he may flush out a new bidder, pushing up the value of his shareholding in the company.

The increase in asset value was because of the revaluation of Ross's Court, the Belfast shopping centre leased to Argos, the UK stores group, under a 25-year deal. This added 4.4p to the net asset value. Ewart made clear the bid was "unwelcome", scotching suggestions from Mr Smyth that Brian O'Connor, Ewart's chairman, had approached him to make a bid.

Mr O'Connor, who owns 16 per cent of Ewart, said, "the full potential of our development stock has yet to be recognised and should produce significant trading profit... in the years ahead".

John Murray Brown

Mandarin to open Miami hotel

Mandarin Oriental International, Jardine Matheson's hotel division, and Swire Properties, the Hong Kong property group, are to develop a 290-room hotel in Miami. The joint venture's waterfront development, will cost \$26m (£52.1m), of which \$50m is expected to be financed by external loans.

Swire is contributing 75 per cent of the equity and Mandarin Oriental will take a 25 per cent stake in the hotel for \$9m. Construction on the Brickell Key site will begin later this year and is set to be completed in 2001.

Santos, the Australian oil and gas producer, is seeking offers for its UK petroleum assets located in the southern gas basin and the North Sea. It said its international business would concentrate on the US where it had interests in the Gulf of Mexico.

The company expects the disposals, to be carried out through Lovegrove and Associates, to be completed by about mid-1998.

Gresham Computing lower

Gresham Computing, a UK electronic commerce product and service provider, reported annual profits before exceptional costs down 30 per cent at £1.17m, while the pre-tax result was 60 per cent lower at \$267,000. Turnover dropped 6 per cent to £8.7m.

The company said that after exceptional costs, including a legal dispute and terminated directors' contracts, and a significant one-off sales order in 1996, underlying profits had increased.

Gresham invested in staff and infrastructure during the year to October 31, restructured its management team and acquired both Systel, a transaction product, and Circa, a banking and finance group.

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COMPANIES AND FINANCE

Abbott shrugs off dollar rise

By Nikid Tait in Chicago

Abbott Laboratories, the US healthcare company, shook off the impact of a stronger US dollar to report after-tax profits of \$2.1bn in the year to December, in line with market forecasts.

The result compares with \$1.88bn in 1996, a gain of 11.3 per cent, and was achieved on total sales of \$11.9bn, up 7.9 per cent on the previous year. Abbott, which is based in Chicago, said the sales figure would have been about 3 per cent higher without the effect of the strengthening US currency.

Earnings per share rose 12.9 per

cent to \$2.72, matching the average of analysts' forecasts, according to First Call.

The results came after an 8.1 per cent increase in research and development spending, which topped \$1.3bn.

Shares in Abbott rose yesterday morning by \$1½ to \$70½ on the news.

Abbott saw its fastest sales growth in pharmaceuticals and nutritional products, where it added two new anti-cancer products during the year and won the go-ahead to market Norvir, for use on children with HIV or Aids. Sales in the division increased 9.8 per cent to \$6.9bn, with

the US accounting for about two-thirds of this figure.

Sales of hospital and laboratory products rose 5.4 per cent to \$4.96bn, but were split more evenly between US markets, at \$2.79bn, and international markets - where the strong currency had an impact - at \$2.17bn.

The results came less than 24 hours after Abbott announced that Duane Burnham, chief executive, would retire at the end of 1998, and that Thomas Hodgson, chief operating officer, would step down at the end of this year.

Abbott has effectively put forward three candidates as Mr Burnham's successor by promoting Paul Clark,

Robert Parkinson and Miles White to executive vice-president positions. All three have been with the company for more than a decade and previously have held senior vice-president positions, overseeing the pharmaceutical, international and diagnostic operations respectively.

Mr Burnham has headed Abbott since 1990, with Mr Hodgson as his chief lieutenant. However, the last succession at Abbott was anything but smooth: Robert Schoellhorn, Mr Burnham's predecessor, had to be ousted by the board after he discouraged competitors for his job and the company saw an exodus of potential candidates.

Currency factors give lift to Roche

By Daniel Green

Roche, the Swiss drugs company, generated modest sales growth in 1997, with gains driven largely by currency factors and acquisitions.

Sales in Swiss francs were ahead 18 per cent to SF18.8bn (\$12.6bn), but the gain was only 6 per cent in local currency terms.

Sales in the pharmaceuticals business, which accounts for 64 per cent of Roche's revenues, grew 4 per cent in local currencies to SF12.1bn, or about half the rate for the pharmaceuticals industry as a whole.

Growth was slowed by patent expiries and government-mandated price cuts in Japan, while consumer health, including brands such as Redoxon and Renine, increased market share.

The company's fastest-growing business, fragrances and flavours, benefited from the acquisition of US company Tastemaker in April 1997. Sales grew 23 per cent in local currencies to SF1.9bn. But excluding the acquisition, the growth would have been about 1 per cent.

Roche's diagnostics division did well, with sales growing 17 per cent in local currencies to SF1.6bn. Sales were boosted by sales of products based on a technology Roche acquired for \$300m in 1991, polymerase chain reaction (PCR) which is used to detect tiny amounts of genetic material.

The vitamins and fine chemicals side, the company's second biggest division, had local currency sales growth of 3 per cent to SF3.8bn. However, the company increased its market share in this especially competitive sector.

With its sales figures published yesterday, Roche also said that planning and preparation for the integration of German diagnostics company Boehringer Mannheim, was "moving ahead quickly".

Laura Tyson

Taiwan buccaneer turns gaze abroad

Famed as much for his swashbuckling style as his impeccable market timing, Tony Shen Ching-ching cuts a colourful figure in Taiwanese business circles.

Within a decade the self-made sailor-turned-tycoon has built his Core Pacific group into one of Taiwan's top 10 conglomerates and, with this week's completion of the purchase of Yamaichi Hong Kong, is now piloting the group overseas.

"Through this acquisition, Core Pacific can become an internationally known name," he said. He plans initially to develop the group's securities business in Asia, especially China and Japan, and later move into other markets through acquisitions and alliances.

Armed with the instincts of a born trader, the 50-year-old chairman has worked his way into the graces of the second generation of Taiwan's business elite.

He has climbed politically too, winning seats on the ruling Nationalist party's central committee and its finance committee. He has also cultivated an entry on the opposite side of the Taiwan Strait, where he has business interests.

With assets of T\$150bn (US\$4.4bn) and 1996 sales of T\$32bn, Core Pacific is in property and construction as well as securities. In Taipei the group is developing what Mr Shen calls the "world's biggest downtown shopping

mall", a T\$24bn project with backing from the Nationalist party, Japan's Mitsubishi and the Singapore government.

Core Pacific seized control over two recently privatised companies, China Petrochemical Development and BES Engineering, a civil works company, is building a T\$34bn power plant, and has moved into electronics with a printed-circuit board factory and a microchip testing plant.

But Mr Shen remains dogged by his reputation as a buccaneer and by unsavoury rumours about his past.

"He's very aggressive and super-ambitious," said a Taipei investment banker. "He's seen as opportunistic, making money by speculation rather than traditional manufacturing business."

Mr Shen acknowledges such criticism but dismisses it as jealousy. He has certainly had to fight for his present position.

With no formal education past high school, youthful run-ins with the law and three years at sea, he vaulted from messenger boy to customs broker, becoming Taiwan's undisputed "quota king" by the age of 30.

From 1974, when he set up a trading company, to 1986, Mr Shen cornered the market in textile quotas, amassing a T\$3bn war chest of cash on the back of Taiwan's economic growth. So renowned was he in the textile industry that "even big



Tony Shen Ching-ching: gaining international status

American companies would give me a cheque on my word alone", he says with pride.

In 1987, when he founded Core Pacific, he converted his cash from bank deposits into property and shares - just as the market embarked on a three-year bull run during which the benchmark index quintupled and property prices quadrupled. Mr Shen subsequently gained notoriety as one of the "four kings of heaven" in the

stock market's rally of the late 1980s.

"Everyone calls me a market manipulator, but actually I was forced to buy stocks - the banks didn't want my deposits," Mr Shen recalls.

In February 1990 he sold all his holdings soon after the index peaked at around 12,500 points. "I made the correct decision at the critical moment," he says. By October the index crashed to 2,500 points.

INTERNATIONAL NEWS DIGEST

SmithKline, AHP in tie-up talks

SmithKline Beecham and American Home Products, two of the world's largest pharmaceutical companies, have held talks on a wide range of link-ups. Analysts said possible areas of co-operation included the consumer medicines side. SmithKline is one of the world's biggest companies in consumer healthcare after its acquisition of Sterling Health from Kodak in 1994. AHP also has a strong presence with brands such as its Centrum vitamin supplements.

A full-blown merger may be difficult because of the potential liabilities faced by AHP in class-action suits following the withdrawal of its slimming drug, Redux, last year. Redux had been linked with heart valve problems in a large proportion of people taking it.

Daniel Green, London and William Lewis, New York

AIRLINES

KLM brings forward disposal

KLM Royal Dutch Airlines said it had agreed to bring forward the sale of its remaining stake in Northwest Airlines, the US carrier. "Cutting KLM's stake to zero from 18.5 per cent, which was to be finalised in the autumn of the year 2000, will now take place before May 1 of the current year," the Dutch airline said. KLM said selling the remaining 18.5m shares would raise almost F1.6bn (\$775m). The transaction creates a book profit of almost \$800m, to be posted in the current financial year to March 31 1998.

Reuters, Amsterdam

PROPERTY

HK groups plan Miami hotel

Two of Hong Kong's oldest hongks, or trading houses, are teaming up to develop a US\$85m luxury hotel in Miami, the companies said yesterday.

Mandarin Oriental International, the hotels arm of Jardine Matheson, and Swire Properties, a unit of Swire Pacific, are developing the 280-room Mandarin Oriental on a prime waterfront site in Miami. Mandarin Oriental will manage the hotel. The bulk of development cost, or US\$55m, is to be financed by external loans. Swire Properties, which has already invested in the Miami property market, is contributing 75 per cent of the equity and Mandarin Oriental will take a 25 per cent stake for \$3m. Construction is due to begin later this year and completion of the hotel is scheduled for early 2001.

Louise Lucas, Hong Kong

CARMAKING

Mitsubishi downgrades forecast

Mitsubishi Motors yesterday highlighted the impact of Asia's economic turmoil by indicating that its results for the year could be worse than initially forecast. Takemune Kimura, chairman, said the company's group net loss, forecast at Y40bn (\$304m) in the year to March, could be larger as a result of the downturn in Asian markets. He declined to specify the extent of the losses. MMC, which has halted two out of four manufacturing plants in Thailand, has seen sales in the country halved to 32,600 units in the 10 months to October last year. Sales in the Philippines fell 13 per cent, to 27,000 units.

Mitsuyo Nakamoto, Tokyo

FT/S&P ACTUARIES WORLD INDICES

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NATIONAL AND REGIONAL MARKETS	THURSDAY JANUARY 15 1998		WEDNESDAY JANUARY 14 1998		DOLLAR INDEX	
	US	Day's	US	Day's	US	Day's
Spans in percentage	Dollar	Change	Dollar	Change	Dollar	Change
show number of lines	Index	%	Index	%	Index	%
of stock						
Australia (73)	185.82	-0.7	178.17	-1.8	185.82	-0.7
Austria (23)	183.57	0.5	181.50	1.7	183.57	0.5
Belgium (28)	252.57	-0.8	252.50	-0.3	252.57	-0.8
Canada (171)	7030.1	-2.7	7027.4	-0.4	7030.1	-2.7
Denmark (22)	200.70	-0.8	182.61	-1.5	200.70	-0.8
France (61)	456.16	-0.2	415.05	-0.6	456.16	-0.2
Germany (22)	229.17	-1.2	229.17	-1.2	229.17	-1.2
Hong Kong (36)	229.17	-1.2	229.17	-1.2	229.17	-1.2
Indonesia (27)	38.59	-22.4	35.11	-31.8	38.59	-22.4
Ireland (16)	116.67	0.0	116.67	0.0	116.67	0.0
Italy (58)	124.15	-0.3	112.98	-1.0	124.15	-0.3
Japan (481)	82.78	0.8	84.42	1.5	82.78	0.8
Malaysia (107)	130.94	-1.4	119.14	-1.0	130.94	-1.4
Mexico (28)	1559.08	-1.2	1418.32	-0.8	1559.08	-1.2
Netherlands (18)	400.47	-0.5	394.57	-1.5	400.47	-0.5
New Zealand (14)	72.79	-1.1	66.29	-0.9	72.79	-1.1
Norway (28)	282.33	-1.2	268.88	-0.8	282.33	-1.2
Philippines (22)	70.21	3.4	63.84	8.1	70.21	3.4
Singapore (12)	167.44	-0.2	158.28	-0.6	167.44	-0.2
South Africa (43)	289.42	-0.4	217.84	-0.8	289.42	-0.4
Spain (38)	279.00	-0.0	253.85	-0.3	279.00	-0.0
Sweden (49)	456.80	1.0	415.05	-0.6	456.80	1.0
Switzerland (11)	296.87	-0.7	297.13	-0.8	296.87	-0.7
Thailand (38)	17.00	3.3	15.47	14.2	17.00	3.3
United Kingdom (212)	330.05	0.9	300.30	-0.7	330.05	0.9
USA (339)	387.89	-0.7	353.01	-0.8	387.89	-0.7
Americas (616)	351.18	-0.7	318.53	-0.8	351.18	-0.7
Europe (590)	284.70	0.0	258.04	-0.3	284.70	0.0
North America (27)	405.04	0.7	369.55	-0.3	405.04	0.7
Pacific Basin (871)	100.18	-0.1	91.15	-0.8	100.18	-0.1
Europe-Pacific (1570)	177.13	-0.0	161.16	-0.8	177.13	-0.0
North America (780)	375.92	-0.7	342.03	-0.8	375.92	-0.7
Europe & UK (457)	254.23	-0.5	231.31	-0.9	254.23	-0.5
Pacific Excl. Japan (990)	171.26	-3.4	155.83	-1.2	171.26	-3.4
World Excl. US (1780)	180.18	-0.1	165.95	-0.8	180.18	-0.1
World Excl. UK (2217)	236.56	-0.3	217.78	-0.7	236.56	-0.3
World Excl. Japan (1948)	324.18	-0.6	294.98	-0.7	324.18	-0.6
The World Index (2428)	247.03	-0.4	224.77	-0.8	247.03	-0.4

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Established in 1978, OFFCO has provided world-wide and 750 ready-made companies available for sale or lease.
JAMES M. WATSON, Director
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COMPANIES FT MARKETS



Weekend January 17/January 18 1998

Seagate cuts 10,000 jobs as losses mount

By Louise Kehoe
in San Francisco

Seagate Technology, the world's largest independent maker of computer disk drives, will cut 10,000 jobs - about 10 per cent of its workforce - over the next three months in an attempt to stem mounting losses.

Most of the job losses - more than 7,000 - will occur in Asia, where Seagate has extensive manufacturing operations in Thailand, Singapore, Malaysia and China. About 1,800 jobs will be lost in Singapore, where Seagate is the second largest private sector employer after Singapore Airlines.

In the US, the company will trim about 1,300 jobs, most of them in Silicon Valley. The previously announced closure of Seagate's plant in Ireland, with the loss of 1,400 jobs, is included in the worldwide restructuring.

Seagate hinted at further cuts last week when it said it

would take a charge "in excess of \$300m" in the second fiscal quarter, ended January 2. The disk drive maker is expected to post a net loss of up to \$500m for the quarter. Details of the cuts were released after the close of trading in the US on Thursday. Yesterday morning Seagate was trading at \$19.50, down slightly from Thursday's close of \$19.75.

Seagate's problems stem in large part from new competition in the market for high capacity disk drives, which it had previously dominated. The company has lost market share to IBM, Fujitsu, Maxtor and Samsung over the past six months, according to industry analysts.

Officials in Singapore said the Seagate job losses did not signal a widening of the Asian economic crisis. "Singapore's industrial base will stay competitive and continue to register growth," the Singapore Economic Development Board said.

Rapid expansion throughout the disk drive industry has also created a glut of products and production capacity, putting further pressure on prices.

Demand for disk drives remains strong and worldwide unit shipments are estimated to have risen by 20 per cent to 126m in 1997, according to Disk/Trend, a market research group. However, the market had not grown as fast as some manufacturers, who expanded production in the mid-1990s, had expected.

Quantum, another US disk drive manufacturer that had also forecast problems, yesterday reported a net loss of \$32m, or 34 cents a share, for its third fiscal quarter, just ended.

The results included a \$78m write-off associated with its high-end drive business. In the same period last year the company reported net income of \$52m, or 36 cents a share. Quantum's sales rose 2.8 per cent to \$1.52bn from \$1.47bn.

Boating industry struggles to stay afloat

By Brian Groom in London

Think of Marilyn Monroe afloat in *Some Like It Hot*. Think of yachts and Aristotle Onassis. Boats stand for wealth and glamour, if not always the best of taste. Everybody wants one, right? Not any longer. Boat builders are coming to terms with an awful truth: their industry faces a worldwide image problem. Quite simply, boats are becoming a turn-off. Young people don't want to know about them. Women are less keen than men. Boating is losing ground to hundreds of alternative pastimes.

The problem is acute in the US, home of the world's biggest boat industry. In the past decade, 10 million families have come into the prime boat-buying age of 55-55, but in spite of a growing economy, they are not buying boats.

The US industry's turnover has fallen from \$10bn in 1988 to \$8bn. Recreational spending has grown by more than 50 per cent in seven years, but boating's share has shrunk from 3.8 per cent to 2.1 per cent. In 1984 an American magazine reported that owning a boat came sixth on a "wish list" of consumer preferences. Twelve years later, it came 15th.

The issue has surfaced at the London International Boat Show, currently being held at Earls Court. The British Marine Industries Federation, which runs the show, has issued a briefing paper which paints an astonishingly frank picture of steady decline.

"Boating is year by year struggling to maintain its popularity," it says. Beside a picture of an ostrich, it asks: "Isn't it time we took our head out of the sand?"

Attendance at the show is 10 per cent above last year, but it has been overshadowed by the impact of the strong pound on the dollar. The strong pound is having an export sales. Longer term, the success of a handful of big companies is masking problems at dozens of smaller enterprises, the federation says.

Telekom provides \$412m to cover Asian impact

By Ralph Atkins in Bonn

Deutsche Telekom, the German telecoms group which this week saw the premature departure of its international director, is to make provisions of up to DM750m (\$412m) in its 1997 results to cover the impact of south-east Asia's financial upheavals, it emerged yesterday.

News of the measures came as the group announced after-tax income reached only DM3.3bn last year, according to preliminary estimates.

That was at least DM1bn lower than market forecasts, although up from the DM1.8bn reported for 1996. Pre-tax income was up from DM4.1bn to DM7.5bn.

The group also revealed the extent of losses in its cable and broadcasting businesses, which reached DM1.1bn. It warned that personnel expenditure had not fallen in line

with staff numbers. Losses from public payphones and directory inquiries reached DM900m and its telephone equipment activities lost DM500m.

Provisions covering "all identifiable risks" to south-east Asian investments were part of a DM1.5bn loss reported from associated companies, including substantial start-up losses from Global One, its joint venture with France Telecom and Sprint, the US telephone group.

Deutsche Telekom - which has stakes in businesses in Indonesia, Malaysia and the Philippines - would not comment on the scale of Asian provisions, but told analysts in private briefings that they accounted for a little under half the DM1.5bn.

The announcement highlights the challenges facing the group. Deutsche Telekom is already in talks with its part-

ners about restructuring Global One.

But its international strategy has been set back by the departure on Thursday of Erik Jan Nederveen from its management board.

At home, Deutsche Telekom faces stiff competition from new rivals following the liberalisation of Germany's telecoms market from January 1.

It is also struggling to contain costs; unions yesterday demanded pay improvements equivalent to a 4.5 per cent rise as well as job protection measures.

After sliding more than 4 per cent, Deutsche Telekom's shares ended up 61 pence at DM32, though shareholders can take comfort from the group's decision to stick with plans for a DM1.20 dividend - double the 1996 level. The price compares with the DM28.50 level at Deutsche Telekom's flotation in November 1996.

THE LEX COLUMN

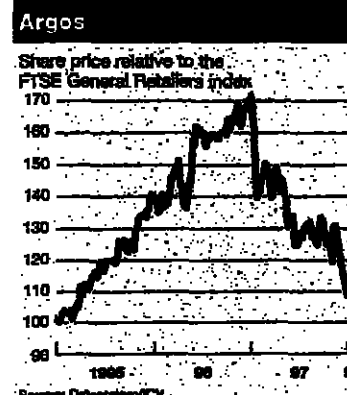
Bully Bill

Might Bill Gates become a liability to Microsoft? Even raising the question may sound like heresy. Mr Gates, after all, has built Microsoft into probably the world's most successful company. And since he is just 41, investors can reasonably expect that his energy and ambition will continue to drive the software group forward for another 20 years.

Unfortunately, Mr Gates' less endearing character traits are also part of the corporate culture. Microsoft's stance in the current court battle over internet software has been aggressive and arrogant. Allegedly defying a court order, it has issued non-working versions of its Windows software. Mr Gates was personally involved in the decisions, which have enraged the judge and could lead to Microsoft being found in contempt of court.

While belligerence might have just seemed feisty when Microsoft was relatively small, it now looks short-sighted. It reinforces the notion that the company is an "evil empire", undermining public support. That could not only damage sales but, more importantly, give the anti-trust authorities the confidence to mount a broader regulatory assault on the group. Microsoft is aware of these issues. Its top executives have talked recently of the need for a softer image and, possibly, even a code of business practices. Mr Gates is not yet a liability to Microsoft. But unless he can reinvent himself and his company's culture, he could yet become one.

FTSE Eurotop 300 index: 1013.7 (-17.3)



Source: Datastream/FT

bidder - if not Hercules then maybe a white knight. Current negative sentiment towards UK industrial companies adds to Allied's uphill struggle for independence. Assuming Allied is heading towards operating profits of £100m, a debt-free multiple of 12-14 times - in line with last year's deals in the sector - suggests close to 180p. Hercules' initial after tax return would be around 5 per cent - low but wearable as the cashflow could be rapidly improved.

In a kind world, the management would be given a bit longer to deliver the appropriate performance from a company with many qualities. In these uncertain times, accepting a plumped-up bird in the hand is the more likely investor response.

Argos

Argos fell out of the UK retail sector's premier league a year ago. On yesterday's evidence, there is little prospect of an early return. Against the backdrop of reasonable growth in consumer spending, flat like-for-like sales in the fourth quarter is a poor performance. The worry is that these figures reflect not simply difficult markets, but a degree of disenchantment with Argos's basic proposition as the price leader on the high street.

Markets clearly have not been easy: three of its core areas - toys, jewellery and electricals - have been in the doldrums for 15 months. Competitors have also been struggling. In the case of some, like Woolworths, they are clearly also more formidable opposition than previously. Argos's attempt to meet this challenge by stressing improved convenience and service seems logical: research shows shoppers placing increased store by such things.

But it will cost money. So while the company is cutting £7m in annual costs, a chunk of this will be handed straight back. Argos will struggle, therefore, to avoid repeating the 1997 experience of margins being sandwiched between cost inflation running at around 3 per cent and 2-3 per cent price deflation. Even so, for a company of sound management and strong pedigree, a 30 per cent discount to the market looks excessive - especially when the tougher consumer environment this year should play to its strength. But until the company delivers investors some good news, the shares look set to languish.

Chinese banks

At last, some good news for beleaguered Asia-watchers. With China a big unknown lurking behind a big recovery in Asian markets, its plans to pre-empt a financial crisis of its own are welcome. Overhauling its debt-encrusted banking system is long overdue. And Beijing's unwavering stance on maintaining the Hong Kong peg and the value of the yuan will also reassure international investors. That said, the central bank's admission that 20 per cent of state bank loans are non-performing and five per cent irrecoverable still undercuts the case. The real figures are likely to be at least double that. So strengthening the financial system will be a painful process. Writing off bad debts and tightening supervision of lending habits is a good start. But large recapitalisations of many banks may prove necessary as well. Finan-

Allied Colloids

Some final defence documents pull rabbits from the hat: poorly performing businesses will be sold; an unpopular head will roll; costs will be slashed. Allied Colloids has gone for a more dignified response. But then it had little to prove beyond a more robust approach to profitability. This has been addressed by the new management, and its defence against Hercules' 155p-a-share bid has done enough to convince that earnings per share should rise from 8p to near 10p in 1998-99. The besieged management has stuck doggedly to its roots: kind to customers, kind to staff and generous on capital spending. But this lack of ruthlessness leaves some of their savings with a bit of a one-off feel.

The bottom line has in any case shifted towards how much more than £1.1bn can be wrung from a

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Markets Latest

FTSE 100	1013.7	(-17.3)
Yield	5.08	
FTSE Eurotop 300	1013.7	(-17.3)
FTSE All-Share	2461.68	(-1.93)
Nikkei	16,046.45	(-624.47)
New York S&P 500	7776.82	(-64.43)
Dow Jones Ind Ave	9824.3	(-12.70)
S&P Composite	9824.3	
LONDON MONEY		
3-mo Interbank	7 1/4	(77.94)
Life long gilt bid	Mar125 1/2	(Mar125 1/2)
US LUNCHTIME RATES		
Federal Funds	5.25%	
3-m Treas Bill: Yld	5.51%	
Long Bond	104 1/2	
Yield	5.782%	
NORTH SEA OIL (Augs)		
Brent Dated	\$14.84	(14.84)
Oil	\$20.05	(20.05)
New York Comex(Jan)	\$20.05	(20.05)
London	\$20.05	(20.05)

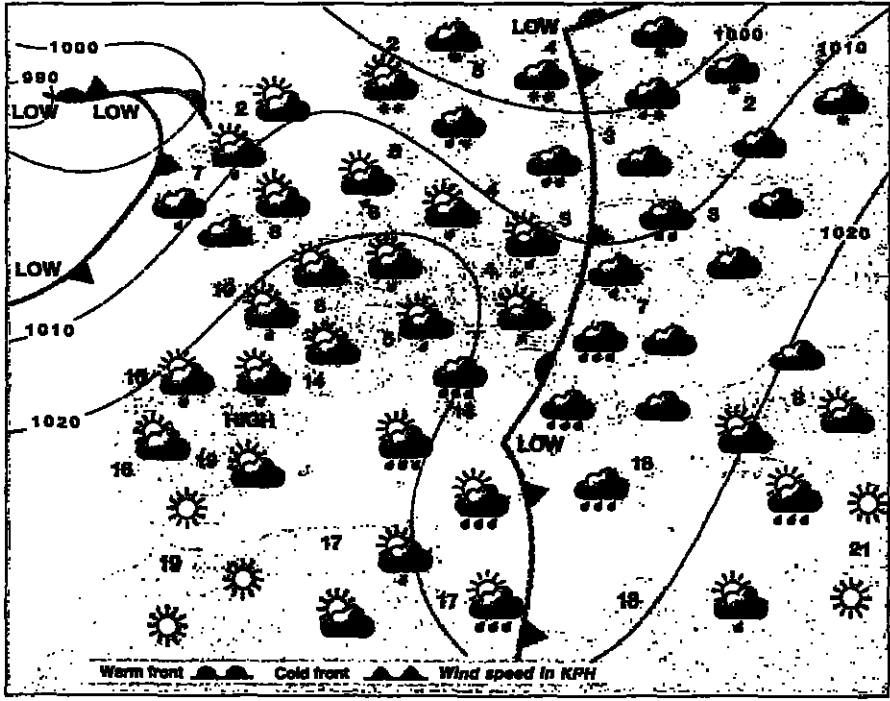
FT WEATHER GUIDE

Europe today

Scandinavia will be unsettled and breezy in the south and west with frequent showers, many of snow. Eastern Europe will be cloudy and damp with above average temperatures although the far north-east will have snow rather than rain. The Alps and much of Germany will see showers at first with snow on the mountains but fine, bright weather over France and the Low Countries will spread east this afternoon. The western Mediterranean and the Algarve will be fine and warm but Sicily and southern Italy will be dull with rain and scattered thunderstorms. Greece will also have occasional heavy showers with local thunder.

Five-day forecast

Italy, Greece and the Balkans will remain unsettled with further rain and showers. Eastern Europe will be changeable and increasingly wintry. Scandinavia and north-western Europe will also be much colder. The western Mediterranean will become wet, windy and cold.



TODAY'S TEMPERATURES

	Maximum	Minimum		Maximum	Minimum		Maximum	Minimum
Abu Dhabi	33	23	Cardiff	10	8	Madrid	11	8
Accra	32	22	Casablanca	18	15	Manila	28	25
Algiers	22	17	Chicago	10	8	Mexico City	25	22
Amsterdam	17	12	Colombo	28	25	Moscow	12	10
Athens	17	12	Dakar	31	28	Mumbai	28	25
Atlanta	17	12	Dallas	13	10	Nairobi	28	25
B. Aires	31	28	Delhi	23	20	Paris	18	15
Bham	17	12	Dubai	22	19	Perth	18	15
Bangkok	34	31	Dublin	15	12	Prague	18	15
Barcelona	15	12	Edinburgh	15	12	Rangoon	28	25
			Farø	18	15	Reykjavik	10	8
						Rio	28	25
						Rome	14	11
						S. Francisco	14	11
						Sao Paulo	28	25
						Seoul	18	15
						Stockholm	18	15
						Strasbourg	18	15
						Sydney	27	24
						Taipei	28	25
						Tokyo	18	15
						Toronto	18	15
						Vancouver	18	15
						Warsaw	18	15
						Wellington	18	15
						Whitby	18	15
						Zurich	18	15



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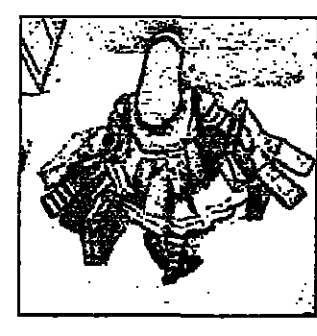
WEEKEND

JANUARY 17 / JANUARY 18 1998



Party spirits

'However long your boat, it was almost inescapable that your host would make you feel slightly shabby'



Take Manhattan

'We're doing antidepressant aromatherapy lipstick. Soon after, we're going to launch an out-of-body machine'



Courting surprises

'Hewitt was inspired. Like his hero Agassi, he takes the ball early, single-handed on the forehand'

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Man's quest for genetic perfection, for ever more intelligent and capable children, has a fatal flaw. Lee Silver contemplates an imperfect future

I am Alpha and Omega, the beginning and the end, the first and the last.
- Revelation 22:13

WASHINGTON DC
MAY 15 2350

The members of the Commission on Ultimate Ethics, established under Dr Albert Finlay six months earlier, had come to Washington, in secrecy and in individual transport pods, to present a final report that had slowly taken shape in Simlisaat discussion sessions.

One representative from each of the relevant fields - reproductive, evolutionary biologist, demographer, sociologist, psychologist and universal theologian - sat around the table in the conference room at the Department of Health and Human Services. One by one, they took turns presenting a portion of the report, to the secretary, who was due to meet President Jordan the next day.

The findings were grim for a man whose own research had been inspired by the neo-enlightenment ideal of society evolving into an ever more sophisticated order; the predictions were surreal. Yet Finlay could find no flaw in their logic, no reason to challenge the central conclusion in the final summary:

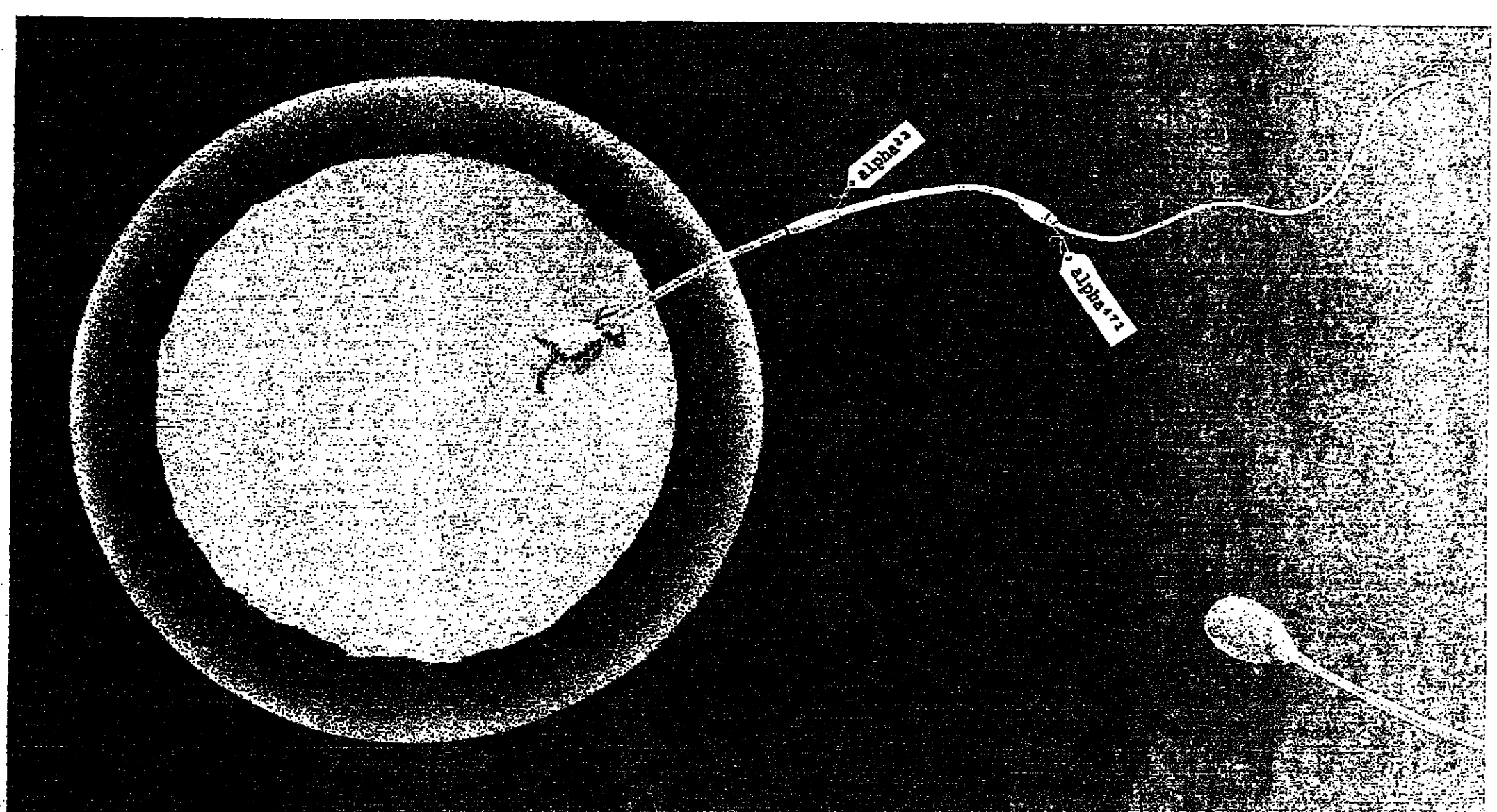
'If the accumulation of genetic knowledge and advances in genetic enhancement technology continue at the present rate, by the end of the third millennium, the GenRich-humans and the Natural-humans will become entirely separate species. They will have no ability to cross-breed, and will have as much romantic interest in each other as a current human would have for a synthetic chimpanzee.'

The presentation took just over two hours. Throughout, Finlay sat in silence. It was too disturbing to comprehend. Unbelievable, and yet, entirely predictable. Indeed, predicted long ago. His mind wandered back to his teenage years, when he had been an avid reader of early science fiction, including the quaint stories written by one of the fathers of the field, H.G. Wells, at the end of the 19th century.

So much of what Wells had prophesied - television, intercontinental air travel, space stations, motion pictures, air-conditioned cities, and much more - had become reality within a century.

And now this, as well - 'the splitting of the human species,' Wells had written, 'the gradual widening of the present merely temporary and social difference between the Capitalist and the Labourer was the key to the whole position,' in the antiquated, political language of the era. Now it was all coming true.

The only thing that Wells got wrong, was how long it would take. Space travel to other worlds was 'easy



The gene genie

enough, but the notion that humans might someday be able to manipulate their own genes was, clearly, too ludicrous to consider during the latter decades of the second millennium, even by visionaries such as Wells, Verne, Huxley, and Asimov.

And yet here we are on the cusp of an incredible evolutionary event. Not in the way Wells had imagined, as the result of natural, economic evolution, 800,000 years hence, but in less than 500 years as a result of evolving and developing ourselves with layer upon layer of high quality genes.

It had been 300 years since genetic enhancement began in earnest. During that time, 12 generations of GenRich individuals had lived and reproduced. And with each generation, it became possible to start with an already-enhanced genome that could be enhanced even further.

And with each generation, an increase in biomedical understanding and genetic technology allowed reproductive geneticists to make ever more complex enhancements, with hundreds, sometimes thousands, of added genes.

Although the initial focus was on genetic refinement for the sake of physical and mental health, it shifted quickly to personality traits and talents in the cognitive, athletic, and artistic realms. In these areas, different enhancements were chosen for different GenRich children. But these differences sat on top of an ever-expanding framework that was shared by all members of the GenRich class.

The conclusions were obvious to Finlay but he was frightened by what he heard, and searched for the appropriate response. Genetic enhancement clinics - GE

centers, as they were popularly known - were spread across north America, and networks stretched to Europe and most parts of the world. They were run as private businesses, without any government assistance and with limited monitoring.

Indeed, long-existing laws prohibited the use of federal funds for what was euphemistically called 'research' on human embryos. Both elected officials and GE executives found this prohibition convenient for political cover, and it provided the basis for the 'hands-off' approach that the government had consistently taken toward GE.

It was for this reason that Finlay had been asked to form his commission in secrecy. But now that the final report was about to be delivered to the president's hands, what could he do with it? How could he stimulate a sensible debate, given that it would inevitably be dominated by GenRich individuals?

The problem was that GE represented a multi-billion dollar industry that served not only American citizens, but was a big export earner. Indeed, the American GE industry benefited enormously from restrictive laws that limited the use of its latest developments in many other countries. As a consequence, genetic enhancement was a trade issue, much as cars, and semiconductors and aircraft had been in the early days of capitalism.

Not surprisingly, politicians and their supporters from the business community were loath to go anywhere near it. Of course, through the years, citizens had occasionally expressed concern about the long-term impact of GE. Rights to privacy, individual liberties;

the folly of governmental intrusion into the free market - these were the issues that politicians had focused on in response to lobbying.

Finlay and all of the presenters in the room with him that morning were themselves GenRich. If they had been born otherwise, they would never have attained the positions they held. All members of Congress, all entrepreneurs, all athletes, all artists and entertainers were members of the GenRich class. There was no longer any way that even the most talented and gifted Natural could advance into any of these realms.

The notion that someday humans might be able to manipulate their own genes was too ludicrous

What could be done? What was possible? Put a stop to the whole thing, there and then? Outlaw the practice of Genetic Enhancement? There would be an outcry from all the GenRich. A Congress filled with GenRich legislators would never agree to a ban or even a temporary suspension.

And even if it did come to pass, in the end, it would make no difference. Sure, it might slow things down in the short term - perhaps a few months, but GE centres would move to off-shore islands, and to Fifth World countries eager for extra tax revenue and a state-of-the-art industry. The prospective GenRich parents would fol-

low them abroad.

If legal restrictions erected in one country or another were useless, was there another way to stop the practice of GE? Finlay considered the moral argument. Perhaps he could convince President Jordan who, underneath his tough political GenRich skin, showed twinges of humanity, to bring his influence to bear on the problem and make clear the moral wrongs of GE.

Perhaps a campaign could be undertaken to explain to all GenRich people the frightening consequences of GE for humanity as a whole. Perhaps it could be a compulsory part of the curriculum at GenRich schools.

Unconsciously, Finlay shook his head as he realised the elimination of GE was hopeless. Prospective parents wanted to provide their children with the greatest possible advantages in life. It had been that way for hundreds of thousands of years. How could you convince parents to forsake the instinctive desire for the good of society? Each individual parent would inevitably argue: 'The genetic enhancement of just my child has no impact on society at all. Why is it immoral for me to want the best for my children? I'm not harming anyone else by my actions.'

So much had changed, and so much would have to change to make society more equal, more human again. The gap between the GenRich and Naturals lay not just in genes, but in every other aspect of their nurturing. Their earning power was different, their life chances far apart, their communities so dramatically different in quality of life. Stopping the practice of GE cold, at this point in history,

would not bring the classes back together again.

If there was no way that GE could be halted, was there a way to stop it from breaking humankind into two? Finlay imagined a Utopian society in which GE was freely available to all, and where all Naturals were raised to the level of the GenRich. It brought a smile to his face for a moment, but for just a moment.

There was no way society could afford to provide this expensive service to all of its citizens, even if it wanted to. The creeping apartheid could only continue to expand. Finlay thought for a moment of another of Wells's Time Machine visions, the Eloi and the Morlocks, the charmed and the damned.

Where had we gone wrong? Was there any time in the past when humankind could have taken a different course? Where was the intersection, once crossed, that had taken society to this inevitable conclusion? Finlay was well-versed in the early history of GE. The original practitioners drew a moral line between preventing disease and enhancing characteristics. How could anyone argue against preventing childhood disease?

But it soon became clear that the moral line was an imaginary one. It was all done to provide a child with an advantage of one kind or another that she/he would not have had otherwise. And what was wrong with that? What was wrong with helping children to live better lives?

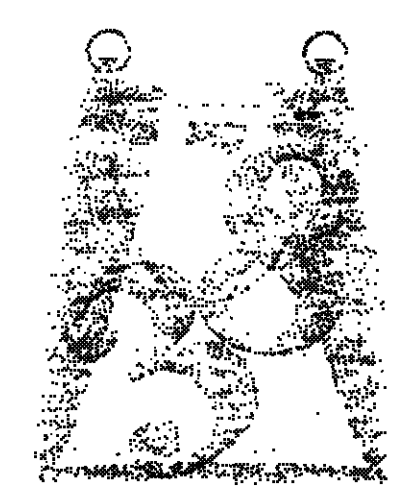
The history books made it clear that early 21st century scientists had failed to see the cumulative impact of GE. Even as scientific understanding and technology continued to explode expo-

nentially around them, they continued to assume that the future would be the same as the present, and that complex physical and cognitive traits would always be beyond reach.

With a shock that opened his eyes wide, Finlay realised that most present-day scientists had the same mental block as their predecessors. It was late, too late to do anything at all, he concluded helplessly. We were on a journey into a rapidly evolving future that no man, no woman, could stop, a future far from Eden.

Adapted from 'Remaking Eden', Weidenfeld & Nicolson, £20.
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Travel supplement
Cruising, wild life and wild water, the Caribbean, City breaks ... inspiration on where to go
With Weekend FT

PERSPECTIVES

Minding Your Own Business

Weaving expertise with tradition in Laos

Faded skills had to be revived in the development of an untapped market, says Sarah Tilton

When the United Nations offered Carol Cassidy a job in Laos nine years ago, she barely knew where the tiny country was. Today, Cassidy is credited with almost single-handedly reviving its weaving tradition. Her business, Lao Textiles, is making the Land of a Million Elephants (sandwiched between Thailand and Vietnam) a favourite destination for New York designers and London art collectors.

Cassidy, now 41, took up the offer and moved to Laos in 1989 for a year as a consultant to a textiles development programme. Laoitians had been weaving for centuries, though their skills had faded after 100 years of French colonisation, Japanese occupation and American bombing.

Farmers had switched from producing silk to growing opium poppies. Women had all but given up the unique, intricate designs and were using simpler patterns. Looking at the elaborate heirloom pieces people kept hidden in stoneware jars, Cassidy saw a chance to save a disappearing art form and develop an untapped market.

When Cassidy's UN contract expired, she decided to start her own business in Laos. "The challenge was to bring Lao textiles into the future. I wanted to combine my 20 years of experience with Laoitian heritage," says Cassidy, who started weaving as a teenager in Woodbury, Connecticut, and later studied it at the University of Michigan and in Finland and Norway.

Cassidy commissioned market research in Paris and New York; these confirmed there was a strong interest in museum-quality textiles and hand-woven art. With their life savings of \$200,000, Cassidy and her husband, a former UN development specialist whom she met when they were working in Africa, formed Lao Textiles, the first company owned by Americans and incorporated in Laos since the country was opened to foreign investment in 1986.

It was a slow start. Cassidy played many roles: artist, designer, entrepreneur. Her first and largest expenditure was restoring the

dilapidated house which became her studio, showroom and home. The spectacular scarves and wall hangings are draped from rosewood racks, making the space a mosaic of rich, subtle colours and textures.

Cassidy's next step was to train the weavers. Training lasted for 18 months; she finally had something to sell in January 1992. The weavers and looms - all hand-operated - are situated behind the house in an open-air workshop with a bamboo roof and ceiling fans.

Her former gardener colours the silk using chemical

Workers get three months' maternity leave and earn several times the average local salary

dyes imported from Germany and computer-matched to traditional dyes made from indigo and saffron.

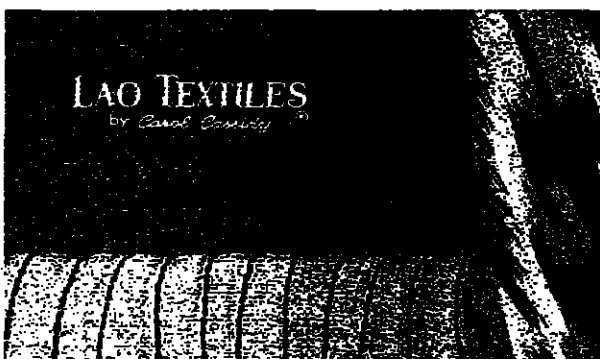
The pay and conditions at Lao Textiles are enviable for Laos. Workers are paid \$50 a month while being trained, get an unheard-of three months' maternity leave, pension and health benefits, and, once trained, earn between \$80 and \$200 a month, several times the average local salary. There is almost no staff turnover, which is important considering the cost of training.

In between renovating the house and training the weavers she fine-tuned the product line: silk upholstery fabrics, wall hangings and accessories. The techniques highlighted Laoitian weaving: tapestry, brocade and ikat, a complicated process that uses selective dyeing before the pattern is woven. Cassidy designed and built five looms (a carpenter built the next 17) using traditional Lao weaving mechanisms and modified them to make longer, wider pieces.

She researched designs, sourced the raw materials and for the first three years dyed all the silk herself. She still supervises every aspect of the business, including contracts with local sup-



Carol Cassidy: 'The challenge was to bring Lao textiles into the future. I wanted to combine my 20 years of experience with ... Laoitian heritage.' Below: the label is popular with designers



pliers from, for example, silkworms' diet to the production of acid-free wrapping paper and shopping bags made from mulberry bark.

Meanwhile, her husband handles the finances and administration and has taken on a considerable share of the child-rearing responsibilities (they have a nine-year-old son and a three-year-old daughter). Cassidy has never done any marketing or advertising, relying exclusively on word-of-mouth. She was convinced that textile collectors would find her and she was right: "There is always a market for quality."

The turning point came in 1995 when Cassidy held a one-woman show at the Museum of the Fashion Institute of Technology in New York. The timing was right: eco-fashion and Indochic were becoming popular.

Most of her clients are foreign; 80 per cent of the work is exported. Customers include Thai royalty, museum curators and New York architect Peter Marino, responsible for the refurbished Dior boutique in Paris. Hollywood actors on vacation drop by her showroom. Customers telephone or fax orders and Cassidy uses a courier company to deliver round the world. European designers commission her for houses everything from tablecloths to curtains, upholstery and wall hangings. Commissions account for about 60 per cent of sales.

It can take two weeks to weave a scarf and six months to make a wall hanging. Scarves start at \$150 and wall hangings at \$1,200. In addition to furnishing fabric, she has expanded her finished items to include ties, waistcoats and Japanese obis.

Cassidy says Lao Textiles made its first reasonable profit in 1995. Since then, she has recouped her initial investment, and turnover has increased five-fold since the start. The number of employees has grown from five to 40 and the company has taken over the entire house. Cassidy and her family moved out a few years ago.

Cassidy is now at a crossroads; it would be logical to expand but she is anxious to maintain quality and integrity. Increasing output would mean stepping up every phase of the process. For instance, she has had to turn down an order from New York designer Donna Karan because her weavers can only complete a few centimetres a day. An order for curtains in a London apartment will take up two looms for nine months.

It is a challenge running a business in a country which is making the transition to a market economy. Cassidy went to Laos before it had a constitution, foreign investment regulation, tourists or even international telephone lines. In the early days, making an overseas call involved taking a wooden boat across the Mekong River to a village in Thailand.

Lao Textiles, Ban Mizai, PO Box 5088, Vientiane, Laos. Tel: (856) 2121212; fax: (856) 21216205.

The Nature of Things

That old black, spooky magic

From 'Star Trek' to reality, particles can now be teleported from A to B, finds Clive Cookson

Objects cannot travel faster than light, as scientists frequently remind enthusiastic fantasists about long-distance space travel. Amazingly, however, information can move at infinite speed - at least in the weird world of quantum mechanics.

Physicists at the University of Innsbruck in Austria have just carried out for the first time "quantum teleportation", in which the physical state of one particle is

transferred instantly to a second, distant particle. Teleportation is a concept dear to the hearts of science fiction fans and above all to followers of Star Trek, whose characters are regularly beamed up to their spacecraft or down to a planet. They rematerialise instantly at their destination.

Quantum teleportation is not quite the same. The process does not transport the physical matter itself but its "quantum state" - information about its energy or the way it is spinning. And teleportation cannot be used for large objects, only for sub-atomic particles whose behaviour follows the (often unexpected) rules of quantum theory rather than classical physics.

Even so, the Innsbruck experiment is a striking demonstration that the weird predictions of quantum mechanics, which so disconcerted Albert Einstein during the 1920s and 1930s, hold true in real life. Einstein's most celebrated observation - "God does not play dice" - was aimed at the important roles played by chance and uncertainty in quantum theory.

But Einstein also found it hard to believe in what he called "spooky action at a distance" - the mysterious ability of quantum particles to become "entangled" so that any interference with one particle has an immediate effect on the other, however far away it is.

A series of experiments over the past few years has proved this principle of entanglement, which is an essential requirement for teleportation.

Last summer a Swiss group at the University of Geneva sent pairs of entangled photons - light particles - through optical fibres to detectors in nearby villages. They found that measuring the energy state of one photon instantly determined the state of its partner 10km away.

There is no sign that this effect falls off with distance, as some physicists had expected. Indeed, it may work right across the universe, though no one has the faintest idea how.

The Innsbruck scientists chose to teleport a photon's state of polarisation: the way the particle is spinning. They set up a bewildering array of experimental apparatus - lasers, mirrors and assorted optical instruments - for the purpose.

Unfortunately their experiment is impossible to describe without using more technical language than is usual in this column. I hope non-scientific readers will bear with me.

A conventional particle must be polarised either vertically or horizontally, but a quantum particle can be in an intermediate state described by complex mathematical equations. However, as soon as you observe or measure it, the bizarre rules of quantum physics require the particle to fall into a definite state of horizontal or vertical polarisation - and at the same instant, its entangled twin falls into the opposite state.

The Austrian scientists fired a laser into a special crystal to create an entangled pair of photons, S (sender) and R (receiver), which would act as a communication channel for teleportation. Their aim was to transfer the state of

an independent photon M (message) instantly to R. To do so, they entangled S with M and measured their polarisation. The act of measurement destroyed the quantum information in S and M but, because of the original entanglement, R instantly adopted the state of M.

The results, reported in the journal Nature last month, are convincing. Time after time, M is teleported across the Innsbruck laboratory to R, although the two particles are never in direct contact.

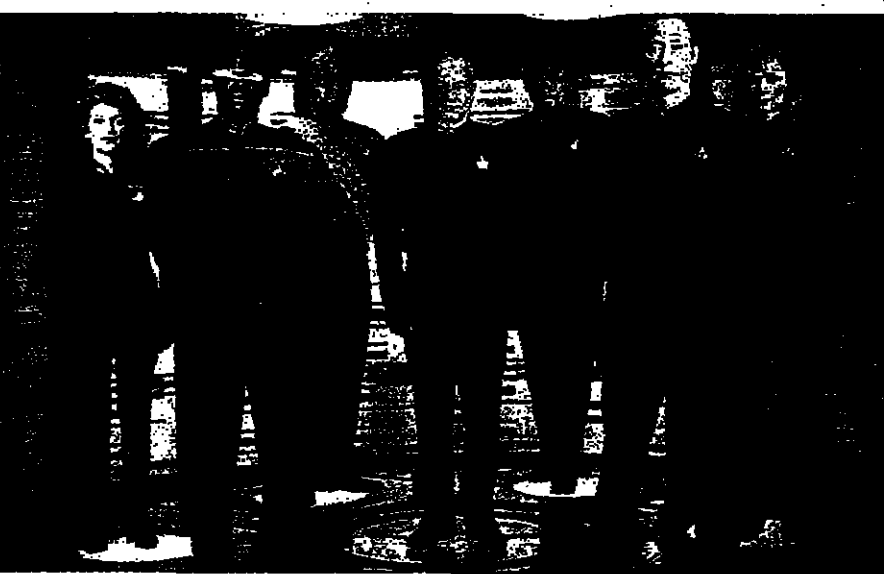
Now that the principle has been proved, scientists will be able to improve the efficiency and reliability of quantum teleportation. They should be able to extend it from photons to more complex particles such as atoms and molecules.

However, it cannot be scaled up to transfer macroscopic objects like people. That would only work, even in theory, if our entire state of being, physical and mental, could be described through a set of quantum equations - which it cannot.

No, the main practical applications foreseen are in quantum communication and computing. It might be possible, some time in the next century, to process immense amounts of data in entangled quantum systems and to transmit the results instantly over vast distances without having to worry about noisy communication channels.

A far more speculative possibility for the distant future is teleporting states of mind. Some people believe it will be possible to describe the brain's activity, at least partially, in terms of quantum mechanics.

If so, thoughts might be candidates for teleportation. Indeed this sort of assisted telepathy - rather than anything as crude and slow as radio waves - might be the preferred communications mode for really advanced extraterrestrial civilisations.



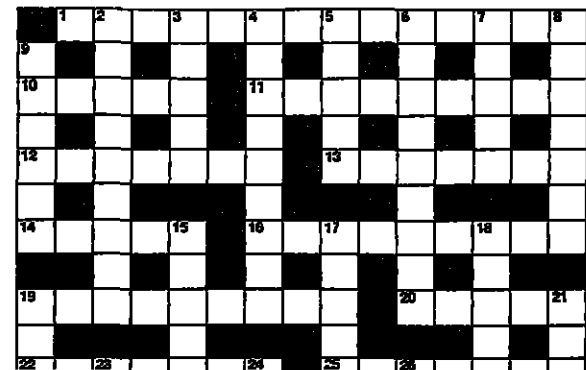
Beam me up, but not yet: 'Star Trek - Next Generation'

Kobal Collection

CROSSWORD

No. 9,583 Set by CINEPHILE

A prize of a classic Pelikan Souverin 800 fountain pen for the first correct solution opened and four runner-up prizes of Pelikan M300 fountain pens. Solutions by Wednesday January 28, marked Crossword 9,583 on the envelope, to the Financial Times, Number One Southwark Bridge, London SE1 9FL. Solution on Saturday January 31.



- ACROSS
- 1 Flogger and photographer, the little bird (14)
 - 10 Agreement about public relations for battle ground (6)
 - 11 Left-wingers with misplaced pride are a pest (3,6)
 - 12 Greet from the pen? (7)
 - 13 NB award for silver (4,3)
 - 14 Winner to eat like a horse (5)
 - 16 I left soldier in pub, contrary to reason (9)
 - 19 Fighting pets in singular downpour (3,3,3)
 - 20 The great man's diminished in over 2000 years (5)
 - 22 At home, gambles with mathematical powers (7)
 - 25 Lawrence and leaving artist's place in old military formation (7)
 - 27 Post 8, cooked the pasta (9)
 - 28 On strike about deviating from what's proper (5)
 - 29 Access prohibited to revolutionary hot on coarse food (12,13)

- DOWN
- 2 It's no easy task with roses etc (4,5)
 - 3 Chance for the sheriff's men to own some (5)
 - 4 Vermicidal satellite (5,4)
 - 5 Piece of hybridised umbelliferous plant (5)
 - 6 Snake and watchdog eating first tasty shoots (8)
 - 7 Pet Irish cereal? (5)
 - 8 Whale causing some fear, or qualms at least (7)
 - 9 Seeing shortly setter's film on love? (6)
 - 15 Disney's film company turns up in emergency at No. 10 (9)
 - 17, 18 One swift with the baton to avert strikes? (9,9)
 - 19 Opposed to keeping borders in the shade (7)
 - 21 Solvers get warning sign from bodyguards (6)
 - 23 Plan for conscription? (5)
 - 24 Battle between words and music (3-2)

The Lederer Memorial Trophy, held at the end of last year, features some of the best players in Britain, together with a smattering of foreign talent. The Best Played Hand award was given to David Burn - long-time British International and expert analyst.

N
 ♠ K 8 4
 ♠ A Q 10 9 8 6
 ♠ 8 7 3 2

W
 ♠ J 8 2
 ♠ J 3
 ♠ J 5 3 2
 ♠ K J 9 6

E
 ♠ K 9 7 6 4 3
 ♠ Q 7 5 2
 ♠ 4
 ♠ A 10

S
 ♠ A Q 10 5

split. However, Burn cashed VAK and his A♠ - a modest little discovery play most people would be wary of making. But, as the diamond position is the only important matter here, every morsel of information is vital.

As it was, West played JV on the second round of the suit. Declarer now reasoned that West's jacks suggested short holdings in the major suits - especially as, had West held a four card major, he might well have led it. Placing West with a 3-2-4-4 hand pattern, Burn cashed his K♠ and then led his 7♣, playing 10♣ from dummy when West played small. This held the trick, and his

Anatoly Karpov has retained the Fide world title by beating Vishy Anand 5-3 in a strange match at the Olympic Museum in Lausanne. Whether Fide's Russian president Il'yumzhinov can continue to finance the players, Anand survived a 95-player knock-out at Groningen, beating Michael Adams in the final, then he had to meet Karpov in a different country just two days later.

When Karpov won the first of a six-game match with a smart novelty, then created a winning attack in the second, it seemed all over. At age 46, however, the Russian is liable to blunders; he lost that game and later

World no 2 Kramnik is waiting in the wings, so the less than thrilling prospect opens up of yet another series of all-Russian K v K matches. Whether Fide's Russian president Il'yumzhinov can continue to finance the players, Anand survived a 95-player knock-out at Groningen, beating Michael Adams in the final, then he had to meet Karpov in a different country just two days later.

No 1214 Nigel Short v Michael Adams, 3rd game 1997. White

BRIDGE

CHESS

PERSPECTIVES



Joe Rogaly

'I'm sorry' (There, that didn't hurt, did it?)

An apology is cheap and fashionable – and something governments can do without raising taxes

It is the season for apologies – attempts to erase memories of the horrors of the past with as few words and as little compensation as possible. This week Ryutaro Hashimoto bowed.

The Japanese prime minister said that his government was unanimous in its "expression of deep remorse and heartfelt apology to the people who suffered in the second world war". A few more yen were thrown into the survivors' rattling mugs.

At about the same time, Jacques Chirac wrote to the families of Alfred Dreyfus, the Jewish army captain falsely accused of spying for the Germans, and Emile Zola, who defended him. The French president called the affair a "dark spot" in the history of his country. It was 100 years to the day since Zola's de-

astating indictment, under the celebrated headline "J'accuse", was published.

In London, the British government has been making up its mind about whether to apologise for the shooting dead of 14 civilians in Northern Ireland on "Bloody Sunday", January 30 1972. It has already apologised for the Irish potato famine.

What these incidents have in common are our old friends race and ethnicity. British prisoners of war were maltreated by Japanese guards. There will always be anti-Semites in France, although today their venom is commonly aimed at Arabs rather than Jews. The English and the Irish tribes will never wholly understand one another.

So we can easily guess why saying sorry is becoming fashionable. Handled with care, it is

either free or cheap. It probably does no harm and may in some instances be beneficial. Best of all, it is something governments can do without raising taxes. The attention of the media is more or less guaranteed.

In spite of these manifest advantages, some proposed confessions of past wrongdoing stick in the official throat. On her recent visit to India, the Queen was ill-advised to utter a half-hearted expression of distress at the massacre of unarmed Indian civilians in Amritsar in 1919.

Bill Clinton has been pressed to atone for the transportation of African slaves across the Atlantic, and for the segregation laws that evolved after emancipation. Being president means having to say you're sorry. The White House fears a demand for compensation. The Canadian govern-

ment has expressed "profound regret" for the destruction of its native cultures. Admittedly, Australia has hardly offered as much as a teaspoonful of genuine balm to the Aborigines.

Meanwhile, the record of inter-tribal atrocities grows. The seeds of 21st century expressions of remorse have already been planted in Bosnia, Rwanda, Palestine and Israel, to take just the three most obvious examples. Perhaps someone, some day, will be called to account for the slaughter of the innocents now taking place in Algeria.

The wait may be long. Tribal antipathies are slow to erode. As we have seen, half a century of apparent peace is not enough, nor is a full 100 years. Old wounds carry themselves from generation to generation. We must look to the rational,

orderly, self-controlled super-beings soon to be created by genetic selection. Perhaps they will know how not to make permanent enemies.

Alternatively, migration plus biotechnology might melt down humanity into a single ethnic group. Such a flash-forward might seem fanciful, but you cannot deny the logic of it. Every day we read new evidence of how the planet's economies are being coalesced. Everything, from farm management to financial services, is global.

We are dismantling national barriers to the flow of capital, freeing all trade, becoming aware of the likely emergence of a universal electronic currency. Why not unrestricted movement of labour?

We know the answer. Immigrants usually enhance the econ-

omy of the host country. They enrich its culture. But tribal suspicions persist. This tension is evident everywhere. Over the past few weeks the European Union has once again discussed how to resist inward migration, while dissolving the union's internal borders.

The disturbance of financial markets in east Asia has been given as a reason – excuse? – for plans to deport foreign workers illegally employed in Korea, Thailand and Malaysia. China is hospitable to immigrants it regards as useful to its economic development. So, in theory, is the US, but American economists and politicians are debating the precise added value of new arrivals, particularly the unskilled.

If mankind is to be recreated as an amalgam of its constituent

tribes, the US will lead the way. It is gradually becoming less white, more Hispanic and east Asian. The black share of America's population is expected to edge up from 12 to 13 per cent over the next three decades. During the same period, the Hispanic and Asian proportion will probably double, rising from 13 to 27 per cent. It is also a fair bet that when human cloning becomes a large-scale business it will happen in America first.

The withering-away of racial differences, or at least the evolution of nation-states that encompass many tribes within them, will not mean that our species becomes less murderous. There will, however, be fewer ethnic causes of strife. Heads of state will have to find something else to apologise for.

Joe Rogaly is a freelance writer.

Lunch with the FT

When a man's home is Her castle

Windsor Castle is finished. Giles Downes, the Queen's architect, talks to Samer Iskandar

A man who had been working for the Queen for the best part of the past five years should surely, I thought, be stiff and old-fashioned. Fresh from rebuilding the fire-ravaged Windsor Castle, Giles Downes had sounded suspicious of the very concept of an interview over lunch.

My fears seemed to be confirmed when, at the former garage which houses the offices of Sidell Gibson, the architectural firm in which he is a partner, Downes told me sternly: "Let's be clear about this from the start: I will not talk about our clients, including the royal household."

"This is not at all what I am interested in," I fibbed. It seemed to work. He relaxed, and we shared a short walk to the restaurant. The rows of pastel-coloured houses around Primrose Hill, in north London, manifestly had a beneficial effect on Downes's mood. By the time we were seated in Odette's restaurant, my companion was a changed man.

Odette's is a pleasantly old-fashioned restaurant not much bigger than a domestic dining room, its dark walls almost entirely covered with mirrors in heavy gilded frames. I made a mental note to remember it for romantic dinners.

"This place is really for business lunches," Downes interrupted my thoughts. "I wouldn't come here in the evening. I'd feel I had to put on my best behaviour. And I can't afford to go to places like this; also, I have a small daughter and I have to pay for her education."

I wondered if he was joking but did not ask. Downes, I soon realised, had a passion for food. He was passionate about almost everything we discussed, including architecture, sculpture and his five-year-old daughter, Elizabeth. He spoke softly and smiled a lot. I had misjudged him.

Downes seemed to know about wine and chose a 1994 red from Bergerac, in the Dordogne. He said he would be satisfied with a cheaper Bordeaux, but preferred the 230 Bergerac if I had the budget for it. He asked the waiter for a side-order of spinach to go with his chicken and mushrooms, then suggested: "If you like spinach, order some, otherwise you won't get any."

Earlier this year, he celebrated his 50th birthday in the Dordogne. "I have friends who run a restaurant there. I worked out that I had more close friends in that region of France than I have in London. So I decided to have the party there."

Downes described himself as "the black sheep of the family. I was the one who didn't go to university but went to art school." His sis-

ter is a professor of biochemistry at Imperial College.

I wondered if London was really as "cool" for an art student in the late 1960s as we were always being told it was. "I can't remember. I was working with [Sir Norman] Foster every moment I wasn't in college. And when I was out and about in London, I didn't have any money. I lived in a flat on Charlotte Street in the West End. It was an extraordinary place; the front door was

'When you are working on an existing monument, it is difficult to find ideas which are clearly novel'

never shut and never locked. In those days I had to live where there were no trees, no birds..."

So where does he live now?

"Up the hill," he turned in his chair and pointed towards the park. "In these big Victorian houses, built in the 1860s. I'm on the lowest level, with the garden beyond, which is great. When I bought it, my flat was just a shell, no doors, no woodwork at all, no walls."

Ideal for an architect?

"Well... yes, except it has taken me 15 years and I still haven't finished it. My wife occasionally says: 'All right now, we are going to do the next room, aren't we?'"

And this from the man who has just finished rebuilding Windsor Castle six months ahead of schedule? "But that's different. When architects work for themselves, they generally take a very long time. It is very uncomfortable to be judged on your own home. You just don't finish it – then nobody can judge you."

I asked why his style had changed since his days as a modernist with Sir Norman Foster – his recent projects include the classical display of the Crown Jewels in the Tower of London. He said it had not; he was probably what one would call "eclectic", although he disliked that word.

"I have always been interested in organic forms. Bones, plants and human figures; those are all natural forms," he said, picking up the chicken from his plate to show me the bone from different angles. The octagonal vestibule in Windsor Castle was his first opportunity to experiment with organic forms. "I had only done that with sculpture. So the opportunity to do that was great."

I realised that for more than an hour, while Downes was talking, he had never stopped smiling. So I tried to provoke him, saying his creation, the octagonal vestibule, reminded me of a vase, upside down. He laughed: "Yes, it would remind you of a vase, if I have done it right. What was important was to start with this geometry and to stick with it but push it as far as one could. The danger was that if you were not careful, you could slide away from Gothic into Art Nouveau."

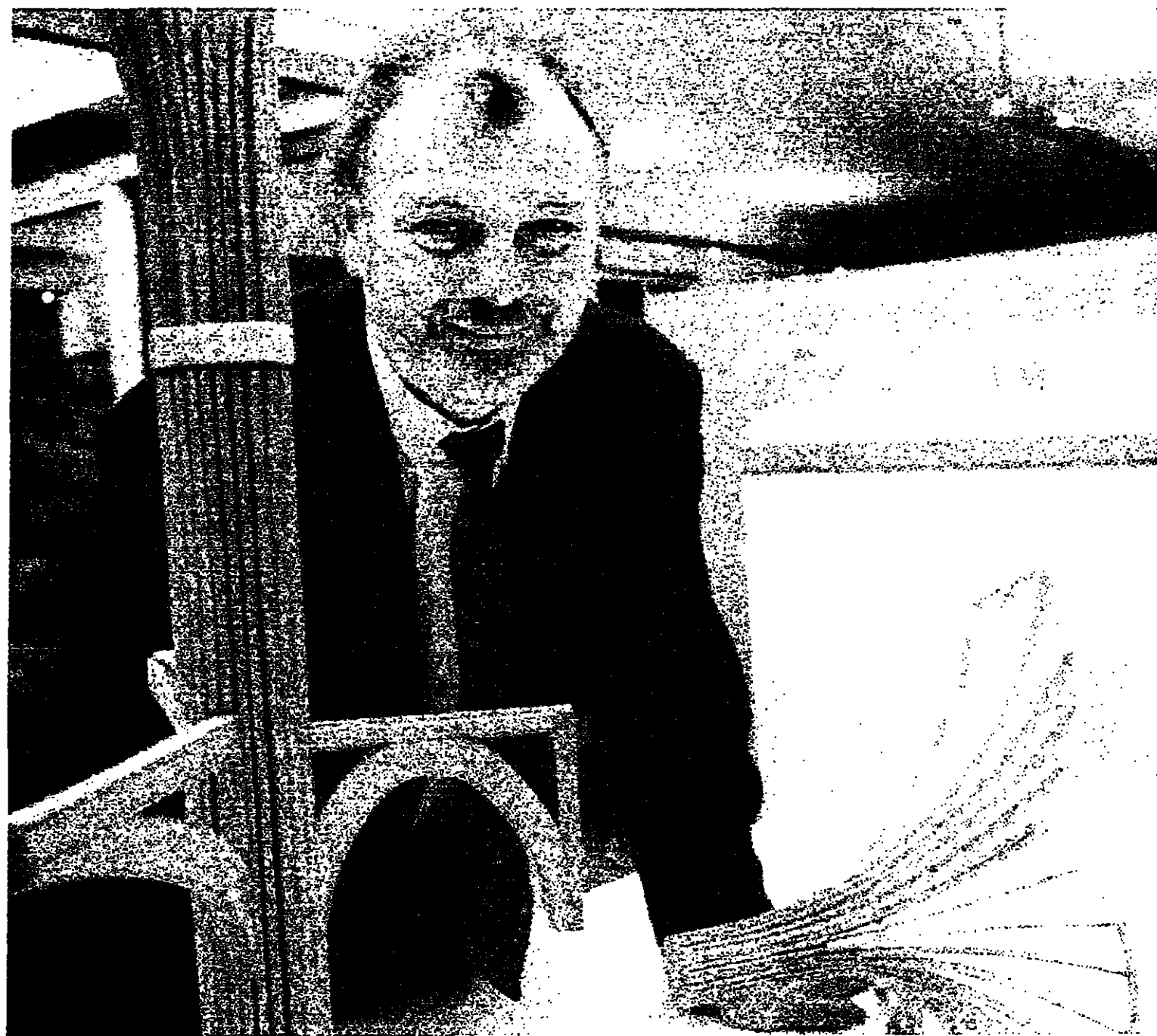
Windsor Castle, he added, had been his biggest challenge. I was surprised I had assumed that it was more challenging to create something from scratch than to work on an existing building.

"No, this was more challenging. Everything you do is taken from existing references. If you are in the modernist mainstream, there are a lot of examples around you that you are well aware of."

"When you are working on an existing monument, it is incredibly difficult to find ideas which are clearly novel. It takes a hell of a lot of research. The more out of the mainstream you are, the harder you have to work."

It later dawned on me that what Downes described as "mainstream" is what the public often perceives as modernist innovation.

I decided to test his



Giles Downes: the octagonal vestibule 'would remind you of a vase; the danger was that you could slide away from Gothic into Art Nouveau'

Lydia van der Meer

patience again and asked about another project completed by Sidell Gibson before Downes had joined – the controversial, if ornate, headquarters of the European Bank for Reconstruction and Development. The bank was established to help smooth the transition of east European countries, but became as well known for the more than \$60m spent on fitting out its headquarters – marble clad and with an interesting high-tech sus-

pended ceiling (£5.7m).

He laughed loudly. "I think I'm probably not going to comment on that."

We were both silent for a few moments as I punched a hole in the cabbage accompanying my duck breast. It turned out to contain lentils.

He broke the silence: "It was a shame that the whole furore about that overshadowed what was an efficient piece of work, on time, on budget – and the budget was

comparatively low. The fact that the designers who were working with us on the project managed to get so much dramatic effect is all to their credit."

Downes almost certainly did not mean to shift the blame to the French interior design firm, but it nonetheless sounded like it. By the time we got our desserts – chocolate tart – and the wine bottle was almost empty, our conversation had shifted to lighter subjects.

Sculpting is one of his hobbies; after college he had considered it as a possible career.

"It was a toss-up. But then, architecture keeps you involved and ambitious much longer than sculpture. You can make a name as a sculptor at 30; you are very unlikely to do so as an architect until you are in your 40s. Architecture is much more demanding. But I would like to mix the two."

Perhaps he already has. I thought, as he went on: "The best way to build a stone wall is at dusk and when you are slightly drunk. It really flows. Then you look at it and say: wow, how did I do that?"

"With uneven stones that don't lock perfectly on to each other, it's all about putting them the right way round. Somehow, when you're drunk and can't see very well, you do it better."

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PERSPECTIVES

Misadventure on the high seas

Pirates are still very much at large, as Captain D.S. Bist discovered when he set sail from Malaysia

W e had done all we could. There were pirates in the area and our container ship was about to set sail. Telex reports of recent pirate attacks included one in which a seaman had lost his life just two days previously.

We posted checklists and instructions on the notice board, alongside copies of those telex reports. Our first concern was to prevent an attack: failing that we would do nothing to endanger life. All this served to instil apprehension in the 24 crew members – but then this is the primary requirement for being vigilant.

Preparations finished, we left Port Kelang in Malaysia, bound for Kaohsiung, Taiwan.

We were well into the night when we passed Horsburgh lighthouse and came out of the Singapore Straits.

The gentle rolling of the ship indicated we were in the South China Sea, infamous for its piracy attacks – from simple armed robbery to hijack, in which the

ship itself is stolen and its crew either massacred or set adrift. Pirates range from shabby pistol-waving thieves to thugs in paramilitary uniform with heavy weapons. We knew the threat was very real now.

At about this time we also reached the "graveyard watch", as the period from midnight to 4am is sometimes called. The second mate took over on the bridge. He reviewed the situation: weather fine, sky cloudy, and the traffic still heavy. There were several groups of brightly lit fishing boats still out.

A row of dark clouds passed over the moon and made its light as unreliable as that of the ship's cook's defective torch. The second mate tested radio communication with the two men on deck-patrol. All was well.

At about 2.30am my phone rang. It was the second mate: "Sir, there's a small boat showing on radar about two miles off. It has been with us for some time and I can't see its lights."

I set off: "All right, I'll be there in a minute." When I reached the bridge, second mate had new developments to report. "The boat is coming closer, sir. I have asked for extra men on deck, and cargo lights over the ship's side are switched on."

As the rest of the ship's accommodation was sealed, two men summoned by the second mate came to the bridge on their way to help the deck-patrol, along with the electrician, who had volunteered to help them.

The approaching boat was indistinguishable from the darkness, even with binoculars,

and only when it was half a mile away we could see its outline. It was definitely approaching us.

"Hello bridge. There's an unlit boat approaching on starboard bow." So, the deck-patrol could see it, too.

The boat was nearly alongside, but because of the high stack of containers on deck, the crew on the bridge only had reports from deck-patrol to go on.

These reports came in quick succession. "Bridge, the boat is trying to come alongside starboard shoulder and we are putting water on them with fire hoses. Please ask engine room to increase water pressure... They have thrown a grappling hook... Bosun has cut their rope with a fireaxe."

Then relief. "They are going away." There was general jubilation. We had driven them away and it had been so easy.

But we did not know what had really hit us. While the unlit boat had distracted us, another eight armed men had managed to climb on board. While we celebrated, they moved rapidly towards the accommodation.

The chief engineer awoke startled. He thought he had heard a thud, perhaps outside his living room. He didn't switch the lights on, but raised the blind of the windows to see outside.

Suddenly, pieces of glass fell to his feet and he found himself staring at the sights of a gun. "Open all windows or you die!"

We were surprised when the chief engineer entered the bridge. When his escort of two men with assault rifles followed him in, we were astonished. We quickly understood that the prevention part of our plan was

over and it was time to switch to the injury and loss avoidance tactics.

The crew on deck were replacing their fire hoses and other equipment when the ship's loudspeakers blasted out: "All crew proceed to crew messroom immediately." And to prevent rash acts of heroism, I thought it prudent to make another announcement: "Pirates are on board and they have hostages on the bridge."

Two of the armed men counted the crew as they came to the messroom. They checked their numbers against the crew muster list posted there. When all, apart from those on the bridge, were accounted for, they were locked in.

Next, the ship's safe was opened. It contained only \$450. This paltry sum disgusted the robbers but they took it anyway.

One of them could not hide his anger: "Very poor ship," he said. But what they were really after was being collected by others. Four of the pirates had broken open two containers on deck and were busy carrying out cargo to the side of the ship.

Their work finished, a short exchange of words on their radios brought the two boats alongside our ship again. They threw the cartons of electronic goods taken from our containers into their boats and were gone in minutes.

The only thing left for us to do was to unlock our crew in the messroom and report the attack.

This drama did not become a tragedy because I decided to put the lives and safety of my crew before all other considerations. Crew members were instructed – stop pirates from boarding; but if the pirates succeeded, and especially if they took a hostage, crew members were not to offer any resistance.

And to that extent we were successful, our mission accomplished.

The sly lesson taught by Lottoland

Why are lotteries so popular when the odds are so long? Michael Thompson-Noel looks beyond the clichés

L otteries are a \$120bn-a-year business worldwide, and everywhere they flourish they succour a number of stock images and assertions – some drawn from life, or at least from a version of reality, others set in outer space or on metropolitan newsdesks, which are actually pretty similar.

A favourite stock character from Lottoland is the 63-year-old plasterer or golf club greensman who wins £12m on a lottery and tells the reporters that his life won't change a bit. He'll go to work just as he always has. He'll enjoy a drink with the same group of friends. He and the wife might take a holiday, and buy a bigger car. But once they have given some money to their children, they'll stick the rest in the bank where it will be out of harm's way.

Another stock character from Lottoland is the bottle-blond 32-year-old barmaid who wins £12m and tells the reporters: "Of course it will change my life, darling. I'm going to shop and screw till I drop. Gucci, Pucci – the works. There isn't a male under 30 who'll be safe." And proves (almost) as good as her word.

Just as durable as these two characters are some of the assumptions and assertions that dog any discussion of lotteries, particularly when puritans, economists and newspaper editorialists contribute threadbare opinions to the debate about the morality of lotteries.

People like this sometimes know that gambling's global growth of the past 20 years or so – especially the mushrooming of lotteries – has been powered by governments' keenness to reap the golden tax yield that it produces. What they often don't seem to know is what sociobiologists know: that gambling is a universal and ingrained human trait. Humans love to gamble.

The UK's National Lottery is the world's biggest, with a turnover (latest figures available)

that US lottery expert Terri La Fleur equates to \$7.75bn. Next biggest: the national lotteries of Spain (\$7bn), Japan (\$6.52bn) and France (\$6.46bn).

Although lotteries are now exceptionally big business, moralisers are seldom able to jettison their fastidious dislike of them. This is partly because of various clichéd assumptions and assertions with which they lazily buttress their kill-joy, anti-gambling philosophy.

Money means one thing to the rich and quite another to the poor

Clichéd assertion No 1 is that lotteries are a clumsy and iniquitous tax on the poor, because they raise money from (mainly) poor people and spend it (mostly) on things like opera houses for the benefit of the decadent *haute bourgeoisie* and spivvy corporate sponsors.

It is certainly true that poor people spend much more of their income on lotteries than the well-off, both proportionately and absolutely.

But the idea that most lottery proceeds are siphoned upwards to pay for the pleasures of the better-off is a travesty. In Britain, for example, only a small fraction of the billions raised by the National Lottery since its launch in November 1994 has been spent in ways to charm the toffs.

Most of the money has been allocated to community, sporting, artistic, charitable, heritage, environmental and celebrate-the-millennium projects to please us all. (Whether they do or not is something else again.)

Clichéd assertion No 2 is that it makes no sense for poor people to squander even the smallest frac-

tion of their income on lotteries, given the daunting odds against winning a main prize.

The poor in their ghettos, sneer some commentators, stand a greater chance of being obliterated by an asteroid than of winning a lottery jackpot. That may be true (it is hard to compare the odds). But it spectacularly misses the point.

The other day I came across a spirited refutation of these clichéd assertions in a back copy (No 7) of *The Baffler*, a small-format American magazine with big ideas.

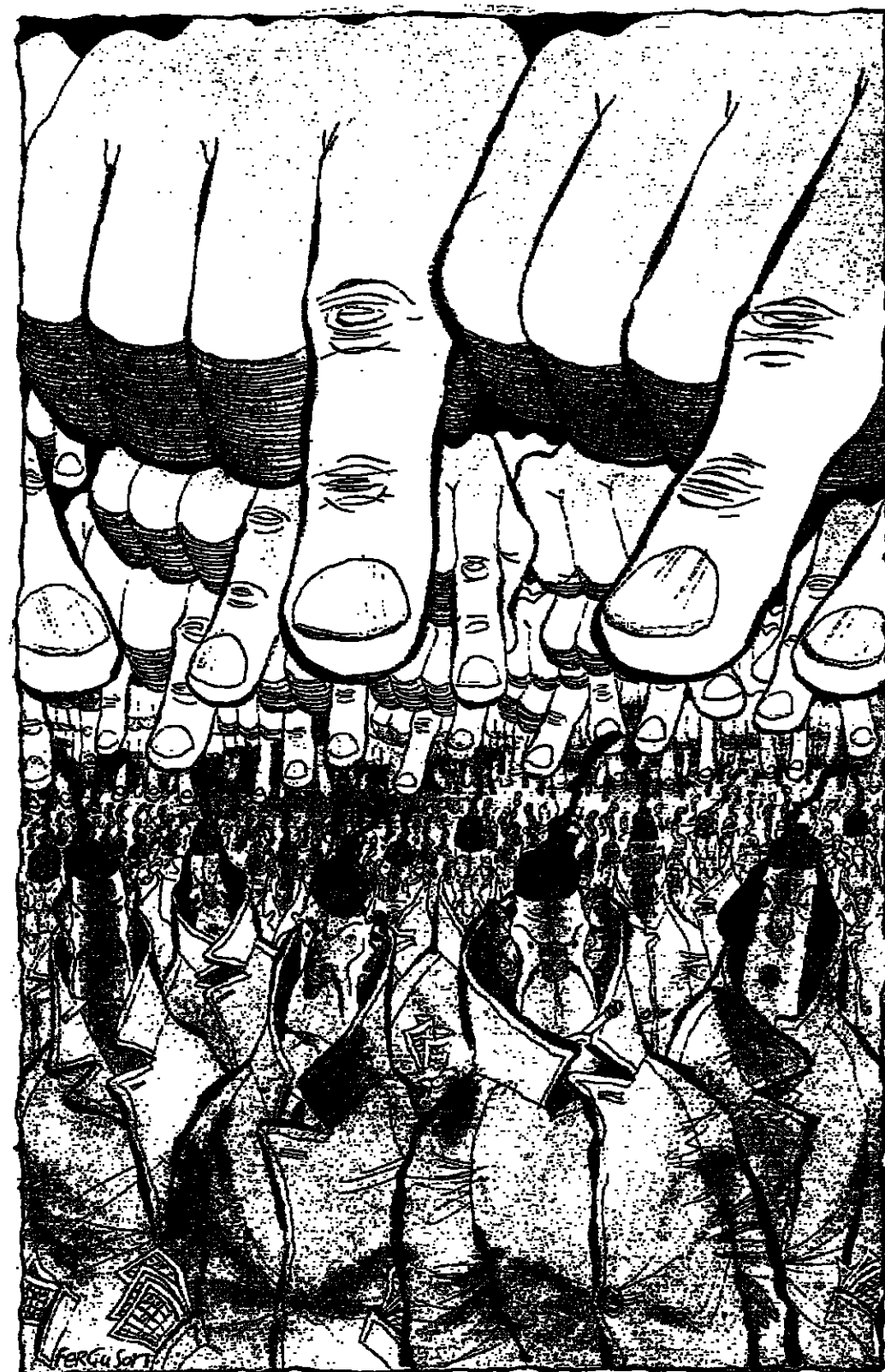
In an article called "Lotteryville, USA", writer Kim Phillips explained how US lotteries went back to the American colonial period, when they were used to amass funds for the construction of many of the hallmarks of colonial architecture, including the Harvard and Yale campuses, and even for getting supplies to Revolutionary troops.

These days, many US states run lotteries. Six of them, led by New York's, are among the 11 biggest lotteries on earth. One, in New Jersey, is among the world's most productive in terms of government profit – that is, the percentage of sales allocated to charity, plus all forms of tax. (The most productive, on this measure, is the UK's.)

Statistically speaking, says Phillips, practically no one ever wins a lottery jackpot. As a result, philosophers of capitalism from Adam Smith to Milton Friedman have long been perturbed by the phenomenon of people playing a game they ought to know they can't win.

"But sneering at [lotteries] as a 'tax on the ignorant', claiming that people who play the lottery are poor fools, deluded and uneducated... bypasses the possibility that maybe poor people actually have a good understanding of what their life chances are; maybe lottery players are right," argues Phillips.

At issue, he says, is not lottery playing *per se* but the chance of



personal mobility, of how far individuals can get in life by working industriously. "The lottery should make sense to anyone for whom the answer is nowhere. Lottery tickets aren't like investments in the stock market; they are [potentially] tickets to a dramatically different kind of life, the kind of life you'll never be able to save up [for]

just by working nine to five." In fact, claims Phillips, a lottery is a perfectly rational investment for anyone facing a lifetime of drudgery and uncertainty. The dictums of the economists fail to take into account that money means one thing to the rich and quite another to the poor.

"Poor people's money doesn't work right," he says. "It doesn't

save, it doesn't accumulate, it doesn't invest. For most people, money is simply a means to an end, a way to get food, clothing, shelter and a little TV on the side. It gets traded in, given away, stolen and lost." It is elusive and slippery.

Phillips goes further. Not only do lotteries not rely on the ignorance of the poor, he maintains,

but they teach a sly lesson. "Reinforcing the message of personal mobility, lottery playing teaches that you're on your own."

What is additionally interesting, he reckons, is that lotteries sell a vision of a future imagined in terms of an unchangeable class system. The poor donate money to make one of their number rich, at which point that person and their new-found wealth pack up and move out. Meantime, the rich "pay nothing for this self-containing system of political quiescence".

I often play the UK lottery. And I know what I am doing: like every other player, I am investing in a fantasy. I want to escape into a sunlit vision of glamour, luxury and unbridledness. In fact, my only criticism of Britain's National Lottery is that the payback rate – the share of turnover returned to players in prize money – is, at approximately 50 per cent, too low.

In my experience, lottery players care little about donating money to "good causes". That is not why they play lotteries. Eventually, I imagine the international gambling business will attract the attention of hard-headed consumerists, who will demand to know why lottery prize money everywhere is so low in relation to turnover, and suggest that it be pushed higher, to a similarly arbitrary but less mean-spirited 75 per cent, perhaps.

Funnily enough, I almost made good my escape into luxury and unbridledness the other day.

I always hand in my lottery money at a newsagent round the corner which is staffed by droll Asian males. The last time I did so, I asked one of them whether the shop had had any big winners recently.

"Sure it has," he told me. "One of our customers has just won \$2.5m. Like you, he fills in some of his lines himself, with his own numbers. For other lines, he marks the 'lucky dip' box." When you mark the lucky dip box, the computer selects your numbers – randomly – itself. Experts say this boosts your chances (still exceedingly small) of winning a really big prize.

"He even looks like you," this amusing youth continued. "Tall, well-dressed, cool. A bit of a joker. Beautiful girlfriend. Always very polite. In fact, me and my brothers often confuse the two of you. What I wanted to tell you is that the guy who won \$2.5m handed in his card immediately before you. If you'd been half a minute earlier, you'd have won \$2.5m. How close can you get, man?"

I opened my mouth, but no words came out.

Dimmed by the glory of the past

Trading on history has not solved the problem of Egypt's present, writes Mark Huband

O ur grandfathers built a civilisation. And the grandsons have left it covered in blood." The lament for the decline of civilisation, by an Egyptologist, is probably as ancient as the time just following the moment when Adam delves and Eve span.

The image of a past golden age is a potent weapon in

the armoury of the nostalgic. The seamy side of life is presumed never to have existed, because its legacy is not symbolised by monuments. The past is what is in stone.

Golden ages are, of course, as mythical as they are ubiquitous. Every generation of Egyptians throughout the 20th century has sought one, only to be disappointed. Now, as the century of experimentation closes, Egypt has been forced to consider the implications of trading on the stones and glories of its past.

Aside from those who have taken to lamenting, others have engaged in a defiant assertion of "national" identity. Far from being the result of the rallying cry of a new breed of inspired politicians, of which the country boasts few, the "nation" has all but officially united against the enemy within after the shattering of its image abroad by the killing of 58 foreign tourists by Islamist militants at a temple near Luxor last November.

Since the slaughter, the worst since the Islamists launched their violent campaign in 1992, it has been impossible to obscure the modern reality by reference to the glory of the past, not least in the eyes of the 3.2m tourists who were expected

to visit in the coming months, but many of whom are now likely to stay away. Six young gunmen transformed the image.

The question for Egyptians has been whether the killers really besmirched an ancient civilisation, or doused with blood a monument from a past of which they and their like have never felt a part.

Meanwhile, the carnage has forced the modern state to come to terms with its failure to both protect its heritage and prove its credibility.

"If you look at the way Egypt's history has been treated, there's a systematic tendency for one period of rule to routinely destroy the reputation of the rule that preceded it," said Hania Sholkamy, an Egyptian anthropologist with extensive experience of the communities of Upper Egypt, from where many Islamist militants come.

"What has this done to our national character? It has just created confusion. When we look at how fake the identity is, we can see it has been constructed as a caricature, one such being that as Egyptians we are kind, happy and funny."

Tourism appears to thrive on the fakeness of this caricature. "Smile: you're in Luxor!" says a sign on the way to the Hatshepsut temple, where the killings took place. Why smile? The temple is fabulous. The rocky terrain is dramatic. Beyond,

well as the mainstream of Establishment opinion, it is vital to avoid recognising that the perpetrators of the attack are a product of Egyptian society. Concerted attempts have been made to strengthen the bankrupt caricature.

"Egyptians are so peaceful and friendly," said Abu el-Magd Omar, general director of the ministry of tourism office in Luxor. It did not appear to occur to him that the killers – all of whom died after the attack – were as Egyptian as he.

The caricature is intended for foreign consumption. As its promotion intensifies in an effort to woo tourists back to the country, Egypt faces heightened tension – between the promoters of this image; the muddled and ill-informed dogma of Islamists who draw their own caricature from Islam's perceived golden age during the 7th century; and a government whose ineptitude on security has been seriously exposed.

The way of life for Luxor's 64,000 people, 20,000 of whom are directly employed in tourist ventures while the

rest rely on the industry indirectly, is as fragile as the stones to which they guide their "guests" are solid.

But has proximity to Egypt's past grandeur seeped into the consciousness of Luxor's residents? Has familiarity with monuments representing 5,000 years of civilisation, and the obvious value placed on them by the 2m tourists who visit Luxor every year, created a more secure, caricature-free sense of identity upon which to build a future civilisation?

"The tourist circuit is cleansed of social elements. Pharaonic-ness is an important source of income. We welcome foreigners to look at it, not because our ancestors built it, but because it's something that we own," said Sholkamy. The implication is that the foreign tourist is not expected to associate modern Egyptians with the achievements of their ancestors.

The question now is how long Egypt can maintain a semblance of political stability while denying aspects of its ancient culture a voice in

the formation of its future. How long can "civilisation" be confined to business before it becomes a popular aspiration?

The killings at the temple have forced the country to wonder if it is indeed a civilisation, or whether the historical practice of discrediting the past has set it dangerously adrift.

Islamists reject the pharaonic past as heathen. Secularists reject political Islam as medieval. Nasserites rejected monarchy and promoted Arabism. Sadatists rejected Nasserism and promoted Egypt's pharaonic past as distinct from Arabism.

The Mubarak years have seen neither democracy nor dictatorship, neither dogma nor liberty. The government may yet be forced to open the door to dialogue with the Islamists, perhaps precipitating the emergence of a political pluralism that exists nowhere in the Arab world.

Meanwhile, the tourists may start to come for their own reasons. "I didn't cancel my holiday because I have wanted to come here all my life," said an American woman as she dined in the near-empty restaurant of Luxor's famed Winter Palace hotel. "I am losing my eyesight, and I wanted to see the wonder of the world before I go blind."

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BOOKS

Testament to abuse and incest

Women occupy a highly ambiguous place in the Bible, writes A.C. Grayling

How edifying is the following tale? A man and his wife, arriving late in a strange town, are offered hospitality by a citizen. A gang of local men assemble at the front door, calling for the stranger to be handed to them for their sexual pleasure. The host begs them to go away; when they refuse he says (and I quote), "I have a virgin daughter here, and the stranger has a woman companion; take them instead, and do whatever you want to them; but leave the stranger alone." The gang accept the offer of the stranger's wife, and the text then reports that they "abused her all night, until the morning," and that she "crawled back to the door of the host's house, and there died."

This is a bible story, found in Judges 19. It is merely the horrible beginning of a dreadful tale, in which the woman's husband saws her corpse into 12 pieces

and sends one to each of Israel's tribes, thereby precipitating a war in which scores of thousands of men die and hundreds more women are raped and murdered. You are a fine capitalist if you find spiritual enlightenment here; a Hollywood version would not pass the censors.

Jonathan Kirsch retells this and a number of other bible stories to draw attention to the Old Testament's rich panorama of rape, incest, seduction, fornication and adultery. We are familiar with the tale of Lot impregnating his daughters, Tamar seducing Judah by pretending harlotry, and David sending Bathsheba's husband to die in battle so that they can enjoy their adultery; but did we know

der Moses in his sleep. Zipporah had not stopped him by cutting off her baby's foreskin and throwing it at God's feet, there would not be much Old Testament either. Nor would there be

Lot's daughters: lacking other men, they seduce their father to get pregnant. Their offspring are the founders of the nations of Boaz and Ammon, Israel's enemies but - through the Moabite Ruth, ancestress of David, and the Ammonite Naamah, mother of Solomon's heir - they are crucial to the history of three religions.

Yet the Old Testament's women are typically treated as the merest expendables. When the angels arrive at Lot's house, and the Sodomites clamour at the door to have them, Lot does as the host in the tale above; he says, "I pray you, my brethren, do not so wickedly. Behold now, I have two daughters that have not known man; let me, I pray

you, bring them out unto you, and do ye to them as is good in your eyes; only unto these men do nothing." (Genesis 19). In this case the girls escape; the angels' smite the Sodomites blind. However scandalous and occasionally horrific these tales might be, they are par for the human course, and therefore do not leave as bad a taste as those about the behaviour of the Old Testament's deity, in whose honour all this happens. That intemperate, savage, jealous, unreasonable, violent and blood-thirsty tribal demon is a murderer and tyrant on the largest imaginable scale, and it is amazing that the religions stemming from these tales about him

THE HARLOT BY THE SIDE OF THE ROAD
by Jonathan Kirsch
Rider £17.99, 378 pages

if Tamar, as she was about to be executed, had not proved Judah's paternity of the twins in her belly - one of them, again, David's ancestor.

Women are often thus the crucial link in sacred history; and often, too, by sexual trickery and the breaking of taboos. Consider

A tale of greed, servitude and silence

In the introduction to his excellently researched new book, Hugh Thomas is both clear and candid about the origins of his interest in the slave trade. "I remember it as if it were yesterday the day when I began to be interested in the slave trade: it was 30 years ago. I was dining in London. At the table, among others, there was the Prime Minister of Trinidad, the historian Dr Eric Williams."

Hugh Thomas fell into conversation with Eric Williams, who in turn sent him a copy of his ground-breaking *Capitalism and Slavery* (1949). Hugh Thomas conducted "a swift perusal" of the book which introduced him to "the fascination of the 18th-century Caribbean", a subject to which he subsequently devoted "much attention".

Eric Williams's *Capitalism and Slavery* is probably the most influential book written about the slave trade in a century in which there has been much scholarly and literary production on this subject. The central thesis of the book is that the slave trade did not collapse because of the moral indignation of the European nations, but rather because the trade was no longer profitable. In other words, the humanitarian zeal which had hitherto been ascribed as the *raison d'être* for the cessation of trading in human cargo was little more than an afterthought.

Thomas disagrees. Of the abolition he states: "Moral conviction was the determining element". His volume is divided into six "books". It begins with an investigation into the early history of slavery in Roman and Greco-Roman times, and concludes with an overlong account of how Cuba maintained slavery almost into the 20th century.

Thomas's examination of the modern slave trade addresses first the Iberian peninsula, as he looks at how this Portuguese and Spanish empire established trading posts in 15th-century West Africa, and then developed the trans-Atlantic slave trade in the early 16th century.

The effect on the domestic life of Spain and Portugal was profound: by 1550 Lis-

bon had a population of 100,000 of whom 10,000 were slaves; similarly by the year 1565 Seville had a population of 85,000 of whom 6,000 were slaves. But this was slavery, not segregation: "Blacks might often be mocked in the street, but they mixed easily, marriage between black and white was not forbidden, sexual relations were frequent, and slaves in Seville were received as full members of the Church."

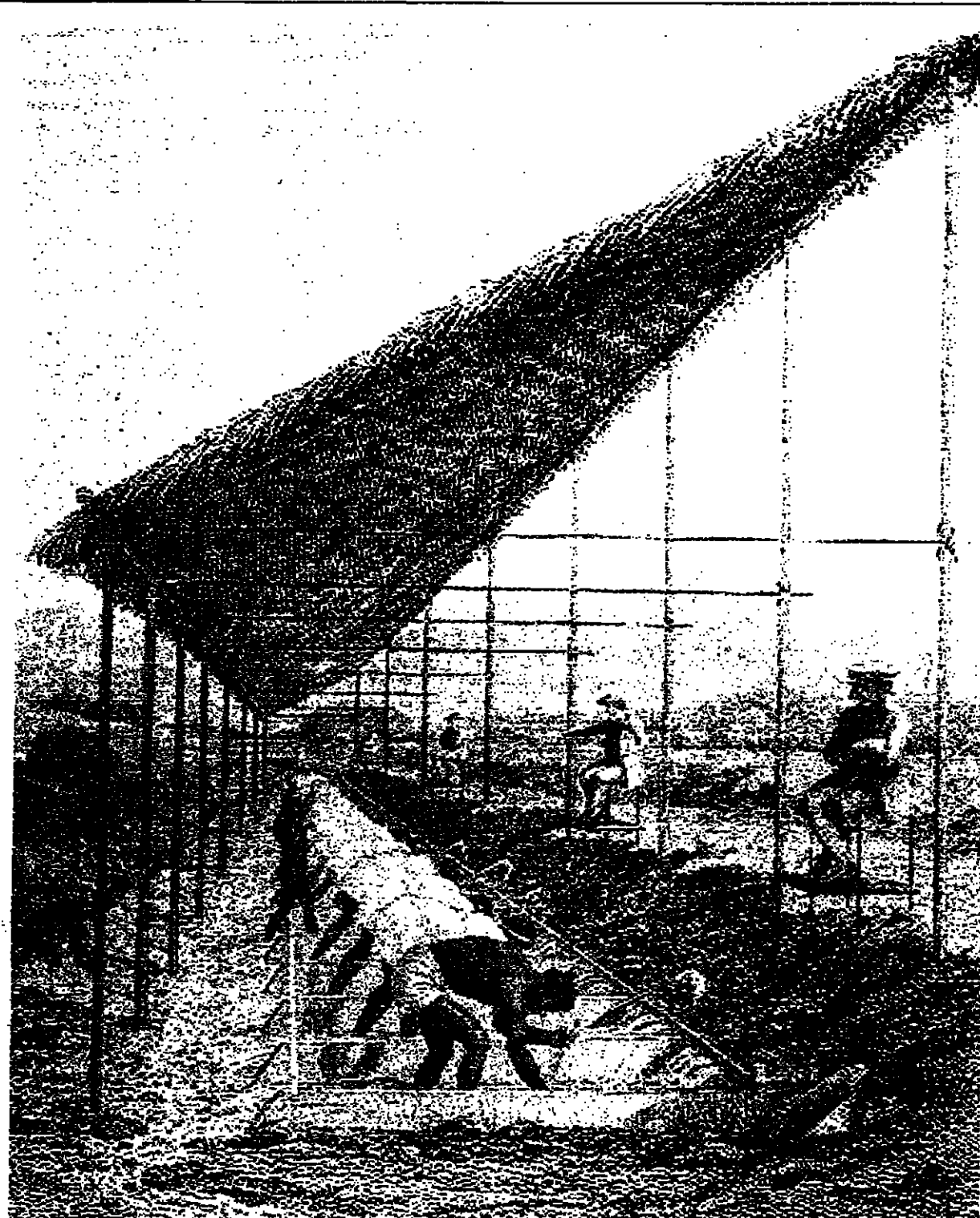
Thomas's account of the

THE SLAVE TRADE:
THE HISTORY OF THE
ATLANTIC SLAVE
TRADE 1440-1870
by Hugh Thomas
Picador £25, 863 pages

role that slavery played in the expansion of the Spanish and Portuguese maritime empires, and the anxieties that this occasioned in the Catholic Church, is by far the richest and most detailed examination of this aspect of the slave trade that is available to us in English.

His second "book", "The Internationalisation of the Trade" examines how the northern European Protestant countries rapidly became drawn into the business of slavery. The English and Dutch, in particular, were quick off the mark, but Thomas quite rightly details the complexity of the so-called "liberal" Scandinavians in the trade. Swedish ships were often "fronted" by Dutch captains and Dutch companies, but the Danes were less squeamish about their involvement, and they profited from slavery for over 200 years.

However, it was the English who, with the founding of the Royal African Company in 1672, soon began to reap the greatest profits from trading in human beings. Sugar, tobacco, coffee and other tropical products, which were the natural by-products of the trade, soon became central features of English social life, and uncomfortable questions as to their origins were seldom posed. Enormous profits were being made, and the slave ports of



A print of 1812 showing slaves washing diamonds in Brazil, watched by their white masters

Liverpool, Bristol and London grew at a startling rate. The granting of the *asiento* in 1713 meant that England now had an exclusive 30-year contract with the Spanish to supply slaves to their vast "new world" empire. A new English company was formed, the South Sea Company, and English complicity with the slave trade was an easily-digested "official" fact of life. As Thomas points out, the list of shareholders of the South Sea Company reads like a directory of contemporary Britain.

"Most of the House of Commons (462 members) and 100 members of the House of Lords (out of a total of 300) were included. So were Alexander Pope, Sir John Vanbrugh, John Gay, and all the royal family, including the bastards. The speaker of the House of Commons, Black Rod in the House of Lords, and the Lord Chancellor were all on the list."

Towards the end of the century, voices began to be raised against the slave trade. In 1779 Thomas claims that the last public sale of a

"black boy" in England occurred in Liverpool, although he frustratingly provides no textual evidence. Considerable ambiguity surrounded the status of black people in England. Were they to be regarded as slaves or free blacks? Thomas chronicles the various court cases which wrestled with the problem and, as the clamour for the abolition of the slave trade grew in volume, so the voices of black people became increasingly important.

In his examination of the push towards the abolition, however, Thomas makes no reference whatsoever to the extant narratives by black people such as Ignacia Sancho, Ukawaw Gronowas, or Ottobah Cugoana, men who were former slaves and who not only resided in England but took the trouble to write down their stories and played an active and vital role in helping to create the climate which led to the abolition.

The omission of these black voices from Thomas's

history of the abolition is disturbing. What, however, is unforgivable is the omission of the voice of Olaudah Equiano. Thomas makes a single passing reference to the former slave, whose autobiography was published in 1789 and whose name was quoted on almost every occasion the abolition was debated in the House. Within five years of its publication Equiano's *Autobiography* ran into eight editions, and from the time of its publication to his premature death in 1801, Equiano was himself out travelling throughout England and Ireland making hundreds of speeches against the slave trade.

That Thomas would attempt to dismiss Eric Williams's economic argument is not surprising. Others have gone before him, although few have been so bold as to attempt to dismiss the redoubtable Williams in the space of a single paragraph. But to claim "moral conviction" (presumably on the part of white Englishmen) to be the determining factor in the abolition, and

to do so without making any reference whatsoever to the considerable efforts of former slaves living in England, is inexcusable. And to appropriate Thomas Clarkson as "the heart and soul of the campaign for the abolition" to the exclusion of other white Englishmen, such as the remarkable Granville Sharpe, is at best exasperating, at worst nonsensical.

Hugh Thomas's *The Slave Trade* is an epic piece of historical research which both expands and reduces our understanding of the slave trade. He expands it by his faultless research, particularly into the Spanish and Portuguese origins of the modern trade, and in his chronicling of the less-known details of the actual crossings. But it is presented to us as though the people of Africa and the African diaspora were mute victims who neither had opinions about, commented on, or were in any way masters of their own destiny. This is patently not the case.

Caryl Phillips

The sins of the past

The great 18th- and 19th-century historians revealed the past as a lesson for the present. History's highest calling was to help modern states avoid the mistakes of previous civilisations, and Rome's fall especially was seen as bristling with warnings for the British Empire.

In contrast, modern historical practitioners seek to divest themselves of all modern preoccupations at the archive door. They attempt to recapture mentalities of past cultures without intruding current values or the advantage of hindsight into their studies.

Now an emeritus professor of criminology and a local history buff have joined forces to put didacticism back into historical investigation, aligning themselves with the 19th-century historian Lord Acton who believed "historians should be judges, exercising their right to condemn the sins of the past."

They have chosen as their subject one of the most contentious historical cottage industries, witchcraft, focusing on a trial held at Bury St. Edmunds in 1662. The authors champion its relevance by wondering aloud whether the position of defendants, such as the two accused women, has been strengthened enough during the past three centuries that "such a miscarriage of justice is now unlikely".

Two widows, Amy Denny and Rose Cullender, were accused of bewitching children from the small East Anglian fishing town of Lowestoft and, crucially, of causing the death of an infant. After much harrowing testimony from the victims and their relatives, the women were convicted of witchcraft and hanged a few days later. Similarly, Browne provided a rational diagnosis for the bizarre symptoms within the framework of contemporary beliefs. The children's swooning fits he pronounced natural, "but only heightened to a great excess by the subtlety of the Devil, co-operating with the malice of these which we term Witches." He even cited a similar case in Denmark as a precedent. In his final direction to the jury, Hale discussed the authority supporting the belief in witches, concluding he had no doubt such creatures existed because, not only did Scripture affirm as much, but all nations have provided laws against such persons.

Rather than viewing the trial as a combination of great intelligence applied to a spurious paradigm, the authors see it as an example of "the extraordinary ability of people to rely uncritically on tainted information to do awful things." The people involved were neither uncritical nor was their information tainted. Victims and witnesses reported their experiences faithfully, and no explanation can be provided to this day as to why children were seen to vomit pins or why one of the witches became covered with burns when a toad was thrown into the fireplace.

Confronted with the same evidence at the time, any judicious person might have reached the same conclusions as Hale and Browne. Far from being convinced of their culpability, it seems that posterity's enormous condescension for the past, warned of by E.P. Thompson, is still very much with us.

During the 18th and 17th centuries the idea of occult sympathies inherent in a

neo-Platonic universe gave intellectual credence to a belief in the power of witches to affect victims at a distance. The possibility of occult fascination was upheld in an Oxford disputation in 1800, with Thomas Hobbes stating in 1651 that the trade of witches was "nearer to a new religion than to a craft or science".

Instead of attempting to penetrate the intriguing mentality of those involved in the trial, the authors condemn them outright for both cruelty and credulity. From the trial transcript, however, it is clear that both men scrutinised the evidence, using the best philosophical methods and experimental techniques available at the time. Judge Hale's scrupulous interventions show his insistence on subjecting all

A TRIAL OF
WITCHES
by Gilbert Geis and
Ivan Bunn
Routledge £45, 304 pages

testimony to rigorous proof. Similarly, Browne provided a rational diagnosis for the bizarre symptoms within the framework of contemporary beliefs. The children's swooning fits he pronounced natural, "but only heightened to a great excess by the subtlety of the Devil, co-operating with the malice of these which we term Witches." He even cited a similar case in Denmark as a precedent. In his final direction to the jury, Hale discussed the authority supporting the belief in witches, concluding he had no doubt such creatures existed because, not only did Scripture affirm as much, but all nations have provided laws against such persons.

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Ann Geneva

Fiction/Michael Pollard

Love - when the last defences are down

It came in handy to have seen the V&A exhibition about Larsson and Swedish style immediately before reading *Tales of the Night*. Not that the Larsson world - a stranger to dust - and Hoeg's smoky potent sequences of stories have much in common. The link, perhaps, is a well-proportioned mind.

There are eight stories. They are all concerned with love... Love, and its conditions on the night of 19 March 1929. They are also concerned with masks, and what lies behind masks, and how the truth about masks is that there is often nothing behind them.

"Journey into a Dark Heart" sets the tone. Three travellers, thrown into uneasy intimacy, are forced

to confront some pretty unnerving truths about themselves and each other and the masks they have been wearing. The message is that masks have to go. Finally, we must acknowledge what we are. Some can manage it - though not the old Prussian general, who can only snort and stomp off in the direction of his old life. The young mathematician, too, "for whom absolute truth had always taken the form of numbers," sits down and puts his head in his hands.

Each story is linked - like

a muse - to a different discipline. The cleverness is in the blending in distilling the moment when the edges blur and opposites bleed into one another. "The Verdict on Horatio Landstad Rasker" has a wonderfully funny and unexpected ending. And "An Experiment on the Constancy of Love" shows what happens when the last defence is down. Love can galvanise, sear and - occasionally - redeem. And where some do not love enough, others - most dangerously of all - love too much.

TALES OF THE NIGHT
by Peter Hoeg
Harvill £14.99, 308 pages

BLINDNESS
by José Saramago
Harvill £15.99, 309 pages

Hoeg's imagination is dazzling: he scoops up ideas, and just keeps running. He is clever without being self-conscious. He administers tiny pristine shocks. He pinpoints the divide

between the intellect and the senses without ever being pious or recondite. And he conjures pictures to fix things in the reader's mind for ever.

José Saramago's novel is dark, baroque, and powerfully affecting. It develops organically, rather than diagrammatically. Tenses are set in concrete, and the effect is eerie though - oddly - not at all alienating. This may be because of the ore of absurdity that gleams beneath the gloom.

Where a chilling acronym or grim pharmaceutical compound-word might seem more apt, the blindness is christened - somewhat lyrically - "the white evil," because instead of plunging its victims into eternal dark it leaves them in a limbo of endless, unseeing light. It is horribly infectious, and as a result they are interned in what was formerly an asylum for the mad. They are given food, they are given - as they might be by madmen - cleaning equipment, and they are left to get on with it.

The white evil spreads. Society still refuses to integrate. Even when struck blind, it goes on not-seeing. Finally, one sighted woman is left - one woman, two eyes. They are the last two eyes in the world, and they are rarer than radium.

At no time is there an explanation of how the white evil began. This is deliberate. It is also (deliberately) maddening: the first of many games of omniscience Saramago plays (none of the characters have names. The blind do not ask each others' names. They do not seem to have much in the way of

memory of their former lives).

There are Absurdist echoes, deft ironies, and occasional passages of great lyrical beauty. There is - dare one say? - something millennial about *Blindness*. It is swept by a gust of the *Zeitgeist*. Beneath the savagery, the desperate emotions and ineffable cruelties, this dystopian satire has just enough black humour to make it bearable.

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BOOKS

The man behind the urinal

Brian Sewell on the career of the father of conceptualism, Marcel Duchamp

Marcel Duchamp is notorious for turning a small white porcelain urinal bowl on its back and dubbing it a fountain. From this fountain fame flowed as readily as water for the sorcerer's apprentice, a ready-made icon of such influence that it has been more intellectually powerful and more stylistically dominant than any

work by Picasso, Matisse or Braque. First shown in New York in 1917, it is, "eighty years on, of undiminished influence in the art schools of the western world" and bids as long fair to prevail as a presiding force even in the Royal Academy as did the nudes of Michelangelo.

In 1916 Duchamp, his reputation based entirely on his work as a painter, was one of the founders of the Society of Independent Artists in New York, but to its first salon the following year he sent no paintings, for he had begun to challenge the supremacy of oil on canvas and to question the nature of a work of art: instead, with the urinal he asked if it is possible to create a work of art from an object that is not only not art, but is wholly associated with other purposes, and if it is possible to be a creative artist without creating a work of art - the answers to be provided by the reactions of spectators (Picasso later answered the first question, and Charles Saatchi the second). The society's committee was, by its own rules, unable to reject the urinal, but they hid it from view: Duchamp then resigned, and in a disingenuous apology argued that they were entitled to conceal his fountain only on the grounds of immorality or

plagiarism - but a urinal is no more immoral than a bathtub, and one cannot plagiarise a plumbing accessory. In selecting the urinal he had taken a commonplace object and treated it in such a way that its function had been replaced by an exclusively intellectual conceit, and in this he was supported by an American critic who argued that the fountain could not have been achieved by a plumber, but only through the force of an artist's imagination. To those who enquired whether Duchamp were serious or joking the critic replied that he was both at once.

There can be little doubt that this was so with the urinal, for it cannot have escaped Duchamp that an object designed to accommodate the drainage from men's bladders must, transmuted, excite infinitely more interest than a washbasin, which would have served as a fountain just as well, but without the challenging subtext of its conventional purpose. He had already employed as works of art a bicycle wheel (1913), a bottle rack (1914), and a snow shovel (1915) - this last with the title "In advance of the broken Arm", and thus clear evidence of wry humour - none of which had stirred the public to outrage; outrage, however, was now his prime objective, to be achieved through the free expression of ideas and concept even if this meant the deliberate breakdown of traditional art forms and techniques, and the abandonment of painting.

The fountain is to Duchamp what the Mona Lisa is to Leonardo - the image that obliterates from the popular mind all other works - but one could argue that "The Bride Stripped Bare by her Bachelors, Even" (alternatively known as "The Large Glass") is his equivalent of "The Last Supper". The desultory and empirical work on this conception of plate glass began in 1915, and was declared definitively unfinished in 1923. It was shattered in 1926, restored in 1936 (with

grotesque alterations), and so immaculately copied by Richard Hamilton in 1965 that Duchamp was happy to sign the replica. It is the largest, most enigmatic and most unsatisfactory of his works, addressed to no particular audience, and is so unresolved that no one can guess as to its intended finished state. It is the one work that those seeking to understand Duchamp should ignore, for he himself said of it, "I have offered no explanation... What is intended is of no interest, what is interesting is the effect the work has on the spectator... It is nothing to do with me... I have nothing to say... it's up to the public..." This could easily be

the apologia of every artist collected by Charles Saatchi. Is it possible to understand Duchamp? Born in 1887, the precursor of Dada and Surrealism, inventor of the ready-made, of the assemblage, of mechanical contraptions and optical confusions, exploiter of the long and punning title, and to all intents and purposes the inventor of Pop Art, his inspiration ran all but dry after the failure of "The Large Glass", and he turned his attention to roulette mostly and chess, though there were later works, minor and mischievous. Not until 1963 was he given a retrospective exhibition (in Pasadena, of all places), but since then there has been something of cru-

sade to make him a messiah, and his apostles number Warhol, Johns, Naumann, and Wesselmann, Rauschenberg, Oldenburg, Cornell, Koons, Hamilton, and a host of lesser artists; the Duchampian Renaissance now mushrooms in every art school and gallery, this *radix malorum* of contemporary art nurtured by complacent critics and curators. No revolutionary artist, not even Duchamp, should be held responsible for the idiosyncrasy of "I threw the bottle rack and the urinal in their faces, and now they admire them for their aesthetic beauty" - and Arturo Schwarz must be forgiven for being more poet than art historian. The bare

bones of his catalogue raisonné are adequate; he has been scrupulous in finding and recording the merest scrap, but his entries on the major works, though useful, are not encyclopaedic. The first, smaller, volume is devoted to self-indulgent and discursive essays, from the poetry of which the reader must excavate the facts - a Duchampian experience. One chapter is mercifully brief: headed "There is no solution because there is no problem" the text consists of one word - "indeed." Adequately illustrated, though more for identification than to thrill the reader, this is a book for auctioneers and tradesmen, and of no interest to the general public.

Country on the road to hell

Question of the week: why has the world reacted so slowly to the obscenity in Algeria? Vested interests - the oil must keep flowing - are only part of the explanation. Official discouragement of foreign camera crews has certainly played its part. Protests by human rights groups have gone unheeded, journalists granted access to scenes of atrocities have fled. And what little we do know is decades old.

Camus told us about the life of the *peasants* poor, Frantz Fanon described the lot of their black counterparts. In his film, *The Battle of Algiers*, Gillo Pontecorvo showed the heroism from which the present state sprang. Algeria, a land of cruel deeds under a cruel sun, has remained a comfortably distant myth.

No book ever came more perfectly on cue than Martin Stone's *The Agony of Algeria*, with its mission to explain, its thesis is that the issues left unresolved after Algeria won independence in 1962 are at the root of its current predicament. By grounding his argument in a *tour d'horizon* of two millennia, Stone shows how complex those issues are.

Since its arrival in the seventh century, Islam bound together a delicate mix of indigenous Berbers and the Arabised population (which included many ethnic groups). The Berbers were, and still are, a proudly separate minority with their own language and their own sophisticated culture: many converted to Christianity during the French occupation. Algerian Islam traditionally focused on the *marabout*, the village holy man: it was essentially apolitical, and had nothing in common with today's radical Islam, which is a graft from Khomenei's Iran.

Stone shows how disgraceful the French occupation was from start to finish, systematically oppressing the indigenous population, turning their mosques into churches, taking their best land, and leaving them impoverished. But since that impoverishment was universal - the old Algerian elite fled to France with the *pieds noirs* - it did at least mean that the new state was launched without the impediment of a class system.

A class system, however, quickly emerged: the FLN - the liberation army - became a political old-boy's

club which doled out all the jobs and contracts. President Ben Bella and his successors ruled by permission from the army, whose upper echelons became rich and corrupt.

The riots which erupted in the slums in 1988 were the inevitable conclusion. Indeed, this whole book reads like a sequence of grim inevitabilities: of well-meaning attempts to clean up town halted by vested interests; of a steady spiral in oppression and revolutionary violence. Stone shows how everything that happened, had to happen.

But he does not excuse the army's fateful intervention in 1992, at the point when the Front Islamique du Salut was poised to win a

THE AGONY OF ALGERIA

by Martin Stone

Hurst £14.95, 274 pages

democratic election. From that moment on - despite President Zeroual's initially admirable attempts to bring the FIS back into politics - the road to hell has been broad and straight. With the FIS marginalised, the hard-line Groups Islamiques Armées - Afghan-trained and well-used to the taste of blood - were just one more inevitability.

Stone's somewhat repetitious book will be essential reading for politicians seeking to grapple with Algeria, but it does not begin to confront the questions now being starkly posed. Why do so many of the massacres take place so close to military bases? Why are the perpetrators neither caught, nor even sought? Is the Algerian government engaged in a massive cover-up? Or is that government now a mere vacuum?

This deficiency may be excusable in that the book went to press six months ago, but its other limitations are more serious. One has no feeling that Stone spent much time talking to the people on the streets, or in their homes: one gets no whiff of the quality of life. The academics, journalists, psychiatrists, actors and singers who have been murdered over the past four years merit only a passing mention: who will speak for their beleaguered colleagues? That is a job which will require more empathy, and a lot more courage.

Michael Church

Comic genius torn 'twixt pen and stage

In the first half of this century, Robert Benchley was America's best-loved humorist, the quintessential New Yorker writer, a film writer and actor, and a radio star. He was John Cleese, Miles Kingston, Frank Muir, and Arthur Marshall all rolled into one. Stephen Leacock thought him "Shakespeare's equal", yet today none of his books is in print in Britain. Even in America he is remembered more as a part of the Algonquin Round Table than for his own work. His gentle, empathic humour seems less quotable than the barbed wit of some of the Algonquin's "vicious circle", and the short films, which established his Joe Doakes as America's Everyman and inspired James Thurber's Walter Mitty, are no longer part of the cultural currency. A major biography has been long overdue.

Yet if Benchley were reviewing this workmanlike effort, he'd probably shudder and say "it's so worthy any one would think I was dead." He would, however, appreciate the generous excerpts

from his writing, which have lost none of their perceptive wit and comic brilliance. Benchley's life balances on the fulcrum of his first drink, in 1920, aged 31. Formerly teetotal and an enthusiastic supporter of prohibition,

LAUGHTER'S GENTLE SOUL: THE LIFE OF ROBERT BENCHLEY
by Billy Altman
Norton £22.50, 382 pages

tion, the vibrancy of speak-easies seduced him. He soon made up for lost time. "Don't you know drinking is a slow death?" asked Scott Fitzgerald. "Who's in a hurry?" replied Benchley. He died of cirrhosis in 1945.

Drink is just one of the many Benchley contradictions which Altman details for us. He never tries to conjure a picture of Benchley's New York world, nor of Hollywood in the 1930s and '40s. Rather, Altman traces Benchley's constantly diverging paths, torn between the high life of the city and his family in the suburbs, torn between

the literary world of New York and the fantasy world of Hollywood. The chasm widened as he spent more time in California while his family stayed in Scarsdale. But we never really learn what anyone actually felt. Did his family resent his absence? We can guess that Benchley may have tried to avoid emulating his dependable and henpecked father, but we never know.

Benchley actually made his earliest reputation as a public speaker. Despite the success of his theatre reviews and his essays on everyday city life which set the tone for *The New Yorker*, it was his stage performance of a bumbling treasurer which set him on the road to Hollywood.

The Treasurer's Report (1928) was the first continuous sound picture made by any studio. Benchley followed it with *The Sex Life of the Polyp*, and spent the rest of his life torn. "I am not a writer, and not an actor," he complained.

Benchley's best-remembered line, "get out of that wet suit and into a dry martini", comes from a movie, and was actually borrowed from his drinking buddy, actor Charles Butterworth. His own original follow-up, "I'd offer you a whiskey sour, but that would mean thinking up a new joke," is a metaphor for the downhill side of his writing career. Today writers like Bill Bryson make a living insisting Americans have no sense of irony. Robert Benchley might argue that one.

Michael Carlson

The idea that children can be psychotic is an uncomfortable one. We like to see childhood as a place of innocence, and to regard all infant fantasy as harmless play. But a significant minority of children do exhibit symptoms of psychosis: immersed in bizarre delusory worlds, or besieged by terror and confusion, they fail to respond intelligibly to ordinary signals and demands and, intentionally or otherwise, wreak havoc on those who care for them. One such child christened them the "collapsibles"; another explained that for her to stay sane was as difficult as winning an Olympic gold medal. This book of essays and case studies from the Tavistock Clinic is a courageous attempt to throw light on their shadowy inner worlds.

Take Samuel, for example, the product of an unwanted pregnancy, whose mother was convinced she would have a brain-damaged child and returned to work one week after his birth. Samuel didn't talk till three or walk till four. His great fear was ghosts, who (he felt) wanted to eat him, and he developed a special "bump voice" to repel them. Dead babies obsessed him, too: he felt responsible for killing them. Often he would camp under furniture and blankets in order to feel safe.

Or there is Holly, whose mother had wanted her very much but, after a disastrous delivery and post-natal depression, came to hate her. Holly talked in a flood of words, many of them inventions of her own. She always carried small objects with her, calling them her protectors: without them she was afraid she would melt. She liked to imagine taking her therapist's eyes from their sockets so that all the thera-

Why children wreak havoc

Blake Morrison on a brave attempt to shed light on the bizarre, illusory worlds of young psychotics

pist would see was an empty darkness like her own. Her words, too, were meant to batter any listener into the madness she experienced herself.

Many other disturbed children haunt these pages: Jonathan, who tries to get into the television to cut off the head of the other boy there; Jeremy, who speaks in the voice of a little professor and who thinks it rains inside the house as well as outside; Mary, who is black, and used to wash herself for hours in the bath to make her skin white; Jennifer, who won't do poos, for fear of the consequences ("My insides will fall out, my heart and bones, I might die"). At times they sound like a race of exotics, and a couple of Oliver Sacks-like essay titles here do little to dispel that impression: "A Little Boy Who Did Not Want to Learn Anything", "Jeremy and the Bitten Roof".

But the reasons they behave as they do are invariably comprehensible. By "splitting" into separate selves, or asserting omnipotence, or narcissistically withdrawing, they protect themselves from the pain and trauma that threaten to overwhelm them. As the blinded Gloucester puts it in *King Lear*:

"So should my thoughts be severed from my griefs! And woe by wrong imaginations lose! The knowledge of themselves".

The deeper roots of these psychoses are also sadly commonplace. Maternal neglect is one recurrent theme, sexual abuse another.

The most severe cases are not the hyperactive ones but those of shell-like autism, where the children seem to possess only the dimmest sense of being a person at all, let alone a sense of time

or place or gender. They are form waiting for content, desperate bits of matter needing to assemble themselves into a whole. Often, they're acutely sensitive, finding all light too bright, all sound too noisy, all memory oppressive. Many, when they do begin to respond to therapy, articulate anxieties about falling, liquefying, exploding or disappearing by diving into someone else's eyes. Crucial to their recovery is a sense of "becoming vertebrate", a phrase used by Anne Alvarez in her excellent book about autism, *Like Company*.

Many of us have little notion of how therapists work with children, and this makes the detailed accounts of therapy sessions here especially fascinating. I suppose I vaguely knew that, whereas adults on a couch are encouraged to explore their feelings and memories, children in therapy are invited to play - with toys, Plasticine, crayons, water or whatever the therapist has to hand.

But I had certainly never realised the extent to which therapists interpret children's actions out loud to them, even as they are being performed. The discourse that ensues can sound deeply weird. For example, Lynda Miller recalls a conversation with a sexually abused seven-year-old expelled from primary school for uncontrollable sexualised behaviour:

"She came close to me for a few seconds and showed me her stomach, saying she had a 'rash'. I said that this sexy stuff isn't good for children, but she feels that it goes on and on inside her and comes out on her skin - it fills the room, spills out in floods - all over me (she was splashing me)... She 'sucked' the water from the tap and spat it out repeatedly, laughing. I said that there is a little Yvonne who wants to have milk from a therapy-mummy Mrs Miller, but she shows me that it changes into wee in her mouth and I become the sexy lady who tricks her, and she is the little tricky Yvonne who tells me she

wants a drink but wants to make more and more wee-mess everywhere. She isn't going to let me be a therapy-mummy who can feed the baby Yvonne."

This may be brilliantly insightful, or it may, to an already abused child, be a form of mental battering. It's no surprise to read that Yvonne often screamed to shut out her therapist's voice. Reading the book, you can't help wondering whether kindness, attentiveness and silent approbation (which are here too) aren't worth more than noisy interpretation. But most of the children do come out of their shells. Even when the therapy doesn't deserve to work (as with the crasser Freudians and Kleinians here, who interpret every stick shape as a penis and every circle as a breast), it seems to.

The child's feelings about the therapist - "transference" as it's called - is an essential part of the healing process. Sometimes therapists are identified with a hated adult of the past, and subjected to vengeful attacks; sometimes they are clung to as impossibly idealised love objects; almost always, a holiday or break in routine, or the child's fear that therapy may end, will cause panic and distress.

For therapists, it is a huge burden of responsibility. A few of them fall the least by approaching their cases not as living flesh, but as difficult texts ripe for literary critical elucidation. But most here are both sensitive and deeply knowledgeable, not least Margaret Rustin, who ends the book on a cautionary but optimistic note. It is natural, she says, for parents to hope that psychotic and autistic children can be "let to grow out of it". But all the evidence suggests that, on the contrary, it is early intervention that will help.

Michael Church

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ARTS

Iconic stares and ironical blankness

William Packer reviews the work of Alex Katz

Alex Katz is now 70. Born in Brooklyn, he studied in New York in the late 1940s and, as a young artist in the 1950s, moved in the orbit of the Abstract Expressionists, who then had the art world at their feet - Pollock, Rothko, de Kooning, Kline, Guston and the rest. He was no Abstract painter himself, let alone an Expressionist, but the influence and debate were of fundamental importance to him in confirming his own contrary position.

If there is an affinity, it would be to the Pop Art that emerged in America as counter to Abstraction, and to such artists as Warhol, Rosenquist and Wesselman in particular. From Warhol, one might think, comes the blank, ambiguous presence of face or figure, and Katz's ironical emotional detachment. From Rosenquist comes, perhaps, the loose, free-wheeling quality of paint and surface, that one finds in the work of billboard artist or scenery-painter, a flatness not as flat as it looks. And from Wesselman would have come both that open sensuality of colour and a more ambiguous, self-possessed sexiness in the imagery. And in his turn Katz may have influenced younger painters, such as David Salle or Eric Fischl.

But the truth is that he has always been his own man. By the end of the 1960s he was already fixed in the personal, mannered quality of his painting, with its flat, open surfaces, clear, undisturbed colour and simple, allusive, stylised drawing that he has stuck to ever since. Yet of all the established artists of his generation, with an enormous number of exhibitions in the US to his credit, Katz has remained oddly parochial, at least in reputation. This show at the Saatchi Gallery is his first major outing in London in eight years, and only his third in the 25 years it covers. It is an intriguing mixture, and surprising in the variety of its subject-matter, since we have seen so little of it here - and yet it is quite as consistent as expected in approach, technique and general feel.

The canvases are for the most part huge, taking wonderful advantage of the vast spaces of the gallery. It has always been Katz's habit to

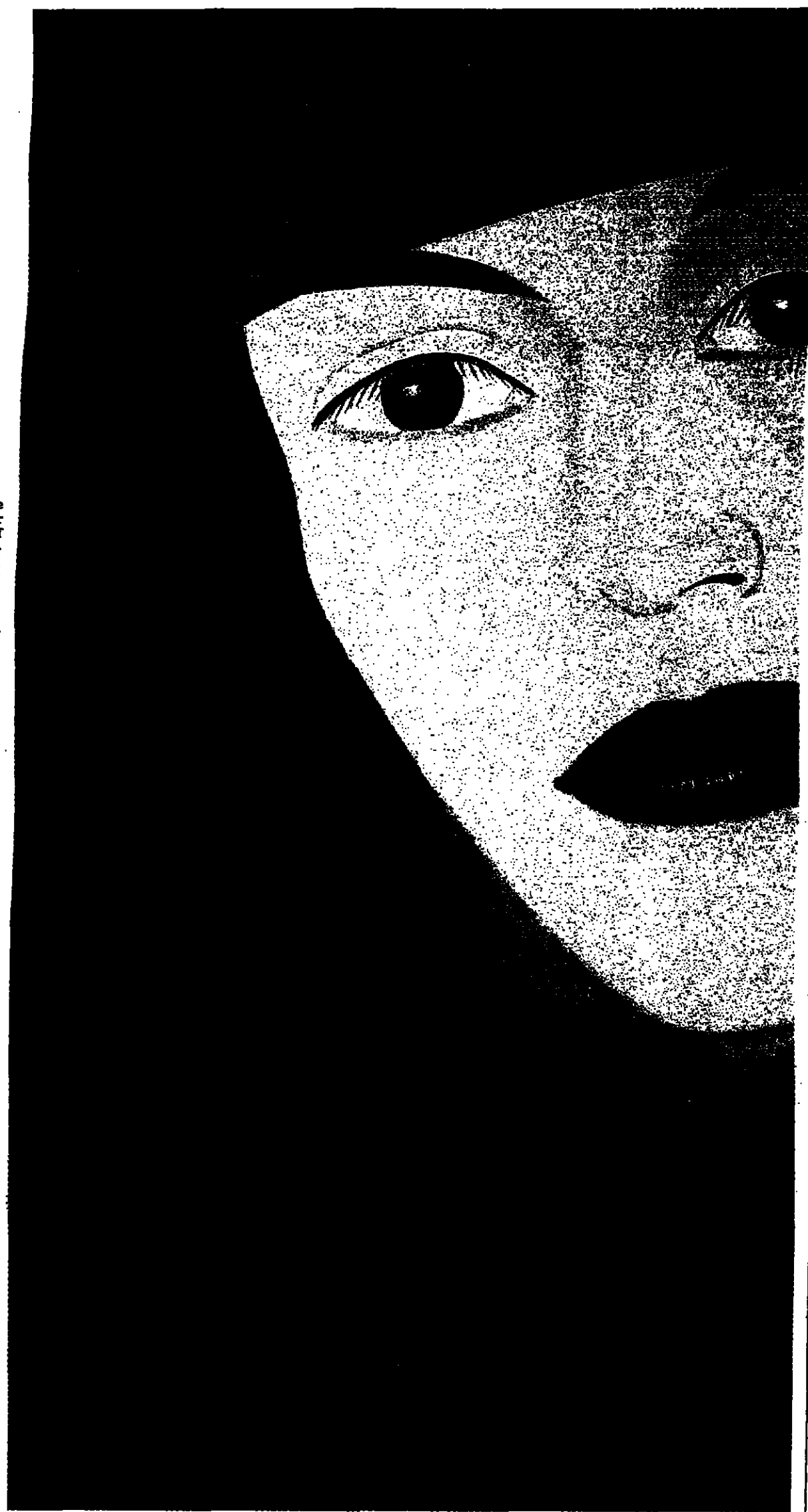
amplify the image from the first tiny, rapid sketch or study to the largest scale, of which process the characteristic blankness is a natural function. But this very amplification, especially with the recent, impressive tree-scapes, also re-emphasises its peculiar quality of painted scenery - painting, that is to say, worked from the shoulder with the full sweep of the arm, laid direct on the surface with one confident gesture.

"The colours are premixed", he tells us, and "I have to get specific brushes for specific strokes. And the brushes are laid out. When I have to do a branch I have a specific brush that will do that branch. And the strokes, it's a wet-in-wet procedure... And you have to have a brush with the right amount of paint on it. And that's an eight-foot line you're making, so you have to have a lot of control." Indeed.

The figure compositions tend to be more contained, more passive and considered, with the artist keeping his distance, uninvolved in the narrative he proposes. Earnest, extravagantly coiffed executives confer; friends sit silent together on the beach; young men and women, immaculate in their summer clothes, wait quietly for a game to start; "under her umbrella and headscarf, a woman walks, impassive, through the rain. And in all of them the drawing remains disarmingly off-hand and light in its reductive simplicity.

Katz speaks of the importance to him of the gestures he visits upon his figures, though they be little more than a meaningful glance, a half-smile, a turn of the head. "I am very conscious of trying to make gestures very clear... When I saw the David with the three swords ("The Oath of the Horatii") I thought of three guys with cigarette lighters and a woman with a cigarette... And I think Piero is like David, making clear gestures that communicate." He speaks, too, of Rubens, Veronese, and the Baroque in general. He also brings in Watteau, and Rembrandt, Manet, Monet. We begin to be confused.

The truth is simpler, his art-history something of a



Painter of cool, quizzical modern conversation pieces: 'Red Dress' by Alex Katz

smoke-screen. Rather there is to his work an obvious and inescapable quality of comic illustration, though of a straight-forward and unaffected kind. But below there is other, more complex references, intuitively felt or perhaps only half-acknowledged, hints of the narrative cycles of Giotto, for example, or of Egyptian tomb-painting. It is in the character of what he calls "the static quality in a gesture" - which brings us back to that iconic stare and ironical blankness. Katz is no realist.

no pop-artist, no commentator on any art but his own, which is his sole reference. He is simply the painter of the modern conversation piece, cool, quizzical, and sophisticated for all his talk. There is no-one quite like him.

Alex Katz - 25 years of painting: The Saatchi Gallery, 98a Boundary Road, London NW8 until April 12; open Thursdays to Sundays 12-6pm, or by appointment (0171 624 8299).

Sponsored by Taittinger Champagne.

Television/Christopher Dunkley

Comic tastes stay constant

When you consider the content of the latest series of *Heroes Of Comedy* on Channel 4 (Benny Hill last Monday, Peter Cook next week, then Arthur Askey and Tony Hancock), there seems to be something a bit odd about David

Liddiment's pronouncements at the beginning of this week on television comedy. As director of programmes for ITV he was announcing, with chief executive Richard Kyre, the scheme which they hope will stop the steady fall in ITV's audience share.

This fall might seem unremarkable, given the continual opening of new channels, but for the fact that the BBC has withstood the new competition better. Liddiment noted that sitcoms which can be watched by the whole family and command respect are almost extinct. Three of last year's ITV comedies - *Falseth In The Future*, *Blind Men* and *Holding The Baby* - attracted, on average, only 5.9m viewers per episode, some of the smallest audiences on record for peaktime comedies. Yet the repeats of old BBC hits (the most notable was probably *Are You Being Served?*) managed 9m or more.

According to Liddiment, all channels have struggled to create new comedies for screening before the 9.00pm watershed which were as funny as *Dad's Army*, *Are You Being Served?*, *Sooty* and *Son* and so on, but unsuccessfully. Did he then go on to say, "So we have decided to drop political correctness, feminism, laddishness and four-letter words and get back to the sort of comedy that most British viewers have always liked and obviously still like?" He did not. Instead he promised to foster the talents of people such as Frank Skinner and David Baddiel, notable for laddishness and, always in their live acts and sometimes on television, four-letter words.

How can people such as Liddiment be in any doubt about what most British viewers like in the way of comedy? Britain's most successful comedian from the television age has been Benny Hill. In this week's *Heroes Of Comedy*, producer John Fisher showed that Hill had some brilliant visual concepts, such as the stripping skeleton, which combined the attractions of Gypsy Rose Lee with the Black Theatre of Prague. But the programme left no doubt that Hill's chief asset was his schoolboyishness, a quality which, for some of us, meant the snigger rather than the belly laugh, the sly insinuation rather than the bold statement.

Yet vast numbers of people clearly adored his programmes. They were hugely successful, not only

in the UK but around the world, and were suddenly dropped by Thames TV in 1989 when they were still getting audiences of 9m and more. The wives of certain top Thames executives were said to consider Hill (and the screening of the *Miss World* contest, which was also scrapped) "sexist".

Television might find its way back to winning big comedy audiences if, instead of contracting to make yet more series about man-hating flat sharers, the commissioning editors were to sit down and watch the next three *Heroes Of Comedy*. They would discover that even Peter Cook - of *Private Eye*, *Beyond The Fringe* and the Establishment Club - television which was bang in the middle of the mainstream of the British comedy tradition. Tony Hancock's material was often far more weird than Cook's, though the attitudes underlying it were deeply conventional. As for Askey, he was the epitome of British tastes in humour. He was at his best in pantomime, the only form of live drama which pulls large numbers of Britons into the theatres once a year.

These excellent one-hour programmes do not pretend to be anything but tributes. Cook's drinking and enmity are acknowledged, as were Hill's peculiar character traits concerning money and (in no great detail, admittedly) women. But the strength of the series lies in the fact that it pulls together such rich mixtures of the best examples of the work of these comedians. From Cook you get the wickedly funny sketch from *Beyond The Fringe* in which the RAF requires Perkins to make a useless gesture, the "unisexer" audition for Tarzan, a bloody Greta Garbo stark naked hanging from the window-sill, the bottoms following you round the art gallery, and much more. With Askey not only are there excerpts from his cinema films but, surprisingly, filmed skits from his radio series, *Band Waggon*.

Anyone who has followed *Heroes Of Comedy* from the beginning, watching the programmes on Max Miller, Joyce Grenfell, Tommy Cooper and others, and who has noticed the continued success of *Dad's Army* and *Are You Being Served?* with new generations, must surely realise by now that British tastes in comedy do not change very much or very quickly. Of course you can get an audience of sorts by making series which sneer at men or ape American political correctness. But you will get a much bigger one if you stick to comedy as it was known to Chaucer, Shakespeare, and Eric Morecambe.

Radio/Martin Hoyle

Style rather than content

Stories behind 1,000 years of great music", to quote the *Reader's Digest*-like blurb, but also by a new Radio 4 series. In the first of *The Musical Directors* Baker rattled through perfunctory conversation with Sir Peter Hall as if the producer had told him to get it over as fast as possible. Baker's uninterested grunts constantly interrupted the most interesting man in British culture, even counting Chris Smith, before mechanically delivering the next prepared lacklustre question. Hall's range of reference and refusal to patronise still made this a product superior to much of what Radio 3 now puts out.

Still, Radio 3's controversial *Centurions* is promising. The opening programme on Kafka's *Metamorphosis* reassuringly gave us transatlantic academic tones in case it was all too European for the BBC. The second programme, on the photographer André Kertész, was more interesting for dealing with a less hackneyed subject. This augurs well; but then it is not a music programme.

Radio 3 was quick off the mark with Lewis Carroll's centenary. Last Sunday's feature on *Sylvie and Bruno* revealed an extraordinarily modern work, stories in three simultaneous worlds. The fantasy sounded better than Carroll's conventional material. His idea of flirtatious conversation between witty young things - on the nature of the sabbath - confirmed theories about some emotional block in his own life.

Radio 4's dumber-down is sometimes a matter of style rather than substance. *God on the Couch* is meant to be about religion but emerges as psycho-babble presented with an accent that at first seemed less mid-Atlantic than bi-littoral, owing as much to estuary English as to another eastern seaboard. By the second instalment Aric Sigman (for it is he, and yes, you may well ask) had plumped for American and was aided in his clarification of our psychological need for religion (lots of it to do with sex) by such luminaries as an ear-

nest American lady professor apparently called Beverly Wipple, or possibly Nipple, and the Bishop of Maidstone. I await the latest imported craze: WWJD lockets and insignia, standing for "what would Jesus do?"

Another American academic was enlightening and provocative in the first of *Beyond The Millennium*; in this case a military expert assessing the possibilities of war in the next century. Not only was he fascinating in the suggested scope, of motive and method (smart weapons could be genetically targeted against certain skin or hair colouring; a mini-nuclear war could be a salutary inoculation against the full-sized thing) but he was actually cautiously optimistic. The item held your attention because it was free of funny sound-effects, blasts of music and zoned-out presenters. It was that old-fashioned thing, an excellent interview, here with the excellent Sheena McDonald.

The Americans were over here in force this week with *Kennedy's Secret Tapes*. Britain has countered with *Empire*. The former concludes next week, the latter has three programmes to go. Both are triumphs, of which more next week. If Radio 3 is now background for hovering, Radio 4, for all the shadows on the horizon, reminds us of old BBC standards.

less, more or less, at the Wigmore Hall this week. Two Mozart concerts by the superlative London Winds, with the Vogler String Quartet and the pianist Stephen Kovacevich, and two more - of Schubert and Mahler - by distinguished but quite different solo voices.

The only one that wasn't sold out was by the German Canadian tenor Michael Schade (accompanied by Graham Johnson, which is already a significant accolade). He is a relative newcomer, known here chiefly through his recent recordings with John Eliot Gardiner et al: Bach, Haydn, Mozart, even Wagner and Verdi. Here, though, he sang only Schubert, in beautifully etched style.

The Schade voice is a true high tenor; white-ish and sweetish, often with the ring of an innocent treble, but capable of surprising masculine force. As his Wednesday recital went on - 17 songs, mostly early, with no interval - we discovered a sunny, even chirpy personality behind his immaculate diction, projection and musicianship. That came into play wherever a song needed it; elsewhere it receded in favour of a shapely, ultra-elegant line.

Early Schubert - spring, maidens, raptures and griefs - was perfect for him, and he did it graceful but sharp-edged justice (with Johnson's sensitive partnering).

Music in London/David Murray

Songs, strings and wind

The few later songs exposed the real metal in his voice, which surfaced only at the right places, but to formidable effect. His combination of easy, lucid German with an exact sense of period-musical constraints, and yet a friendly North American openness too, amounts to a great and very welcome virtue in this cut-glass repertoire.

Michael Collins, a great clarinetist, organised the London Winds' concerts which presented all of Mozart's best music for small ensembles with winds. Since the London Winds soloists are all from the Nash Ensemble and/or the London Sinfonietta, not much needs to be said.

Philippa Davies' liquid, gurgling tone made the first flute quartet sexy. Gareth Hulce was pawky and witty in the oboe quartet, Richard Watkins brightly virtuosic in the horn quintet and also in the great piano-and-wind quintet, K452. Collins himself lent a beautiful serenity to the "Kegelstatt" Trio, no less than to the immortal clar-

net Quintet. The Vogler Quartet were always creative partners; and at the piano, which usually sounds flat and disappointing in Mozart's late pieces for glass harmonica, Kovacevich drew magically blurred, evocative sounds from his instrument.

On Monday the American baritone Thomas Hampson sang most of Mahler's *Wunderhorn* songs, urgently partnered by Wolfram Rieger at the piano. It was a memorable occasion: the clarion Hampson voice sensational and grandly dominating, Rieger competing hard with

his agonised piano-parts. It was certainly an experience. Not so much an experience of Mahler, however, as of Hampson's near-Expressionist responses to these mostly early, folksy-but-subtle songs. By his second half, which crammed most of the death-haunted songs together, Expressionism had quite taken over. The songs grew over slower, their lilt and their rhythm often lost, while Hampson howled like the Kraken - to tremendous dramatic effect, but wrecking Mahler's delicate balance between temperate popular forms and blacker, more desperate feeling.

It wasn't Mahler, but a violent "interpretation" of him that created its own special effects. One of these days, Hampson will make a magnificent, heart-tearing Wozzeck - but Mahler's *Wunderhorn* songs are not the right stuff to try it out on.

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ARTS

Inspired by the sound of Bach

Michael Church talks to cellist Yo-Yo Ma about his latest venture - into film

While pumping out CDs and giving concerts round the globe, Yo-Yo Ma has also recorded the soundtracks for the films *The Tango Lesson* and *Seven Years in Tibet*. If that sounds promising, consider the stunt he is about to unveil: six films by six different directors, where he will form the link. What has a modern medical thriller got to do with kabuki, or 18th-century prisons with contemporary pleasure-parks? Nothing - until they are linked by the thread of Bach's cello suites.

Where did Ma get this idea? He thinks, then launches into hectic free-association. He was asked to play at a symposium for doctors and social workers, which led him to reread the writings of Albert Schweitzer, "who was the first man to fuse musical and social action". He had been grappling with the problem of defining what music is: "Is it a matter of shapes, images, ideas, or memories?" and of how we perceive it: "Through the neuro-muscular system, or through the emotions? Each is a way of getting into it, and each is valuable. But what is the total value?"

Meanwhile, he had been mulling over the possibility of collaborating with the choreographer Mark Morris, with the skaters Torvill and Dean, and with the kabuki actor Tamasaburo Bando.

One thing led to another and, two years later, the six films - collectively called *Yo-Yo Ma: Inspired by Bach* - are about to be screened. And what a heterogeneous bunch they are. His first thought for a connecting link was Shostakovich. "But Bach is universal. His universe is so wide and his empathy tremendous - sacred and secular - I've played the same suite at friends' weddings and friends' funerals. It had to be him." Ergo, one film each for the unaccompanied suites.

The least successful films are those in which he has had least to do, beyond sitting down and simply playing. The Canadian-Armenian director Atom Egoyan has wrapped him up in a convoluted and unconvincing mystery. "Not my idea," says the cellist disarmingly. Nor did Ma have anything to do with the script of the final film, in which Bach (played by a brash American actor) is made the sub-

ject of a singularly inept biography. "I wouldn't have done it that way, but the essence of collaboration is that no one person has control."

On the other hand, Ma's collaboration with director François Girard (the maker of *22 Short Films About Glenn Gould*) is a stunning piece of work. Entitled *The Sound of the Carceri*, this places the cellist in a virtual landscape created by computer from Piranesi's prison drawings. Amid the looming vastness of the dungeons, Ma cuts an ant-like figure, but his music soars majestically. This film is an essay on music and architecture, an exploration, "in a venue which does not exist", of acoustics, Ma explains. "I spend the day before a concert walking round the hall, and adjusting the furniture. Moving a chair or piano a few inches can make or break a performance."

Devotees of Mark Morris will love the film in which his company translate the tumbling opening of Bach's third suite into a communal lemming-rush. Those who can't take Morris's landmark narcissism will find it irritating. But Ma's collaboration with Tamasaburo Bando

for the fifth suite is something else. "This is work," says Ma, "which emerges from the depths of despair, and involves layers of loss, mourning, and reconciliation." The resulting film - about fathers and sons, and sexual ambiguity - is a perfect amalgam of music and gesture. Watching it, you would never guess that polio left Bando with one leg shorter than the other, so gracefully flowing is his movement. But you do sense that this is the work into which Ma most fully puts his own story - a fact he readily corroborates.

"This music was a work my father loved, which I played to him as he lay dying in hospital. He had been a violinist, he was a musicologist, and an amazing scholar. I don't have his intellect, but I do have some of his idealism." But emulating his father was not initially on Ma's agenda. "I practised my cello efficiently, but I didn't love it: it was only after working in the Kalahari, and studying the world from an anthropological point of view, that I could finally put it all together and say, 'Now I understand.' I saw that performing is not a matter of proving but shar-

ing, and of allowing people to make connections." And the connections made in the opening film of the series, *The Music Garden*, are of a directly practical nature, as residents of Toronto are discovering. A precinct is emerging on land by the river where music and dance will be the order of the day. This utopian dream was originally planned for Boston, but founded there for lack of funds, so Toronto picked up the pieces. This film is by turns naive, pretentious, and endearing. Ma's designer-collaborator, Julie Moir Messervy, seems to think the world duty-bound to indulge her pastoral whims.

But the cellist himself is realistic. "Okay, I'll play there every so often, but the community's got to make it work. There's a school nearby, and a ballet company, and a conservatory. If those people take it on, it will live." It opens in September.

The films are to be screened at the National Film Theatre in London on January 27 and 31; they will be broadcast on BBC2 from February 7. Yo-Yo Ma plays at the Wigmore Hall on January 30.



Yo-Yo Ma: 'Bach is universal... I've played the same suite at friends' weddings and friends' funerals... It had to be him'

Exhibitions in 1998/Susan Moore

Treasures troves and artefacts

After the phenomenal success of the New York Met's Byzantium show and the treasures from Mount Athos at Thessaloniki, museums and galleries intend to wow the public with more extravaganzas of early Christian works of art during 1998.

The Grand Palais in Paris promises the most dazzling offering: *Art at the Time of the Accursed Kings: Philip the Fair and his Sons 1285-1328* (March 21-June 30). The period between the end of the reigns of St Louis and Philip IV was one of the most brilliant of French Gothic art. Under the patronage and control of Philip the Fair, Paris became the centre of the goldsmiths' jewellery and enamel trade in early-14th century Europe, and the art of ivory carving flourished. On view are sculpture, stained glass, manuscripts, seals, coins, textiles and all manner of objects d'art.

Vatican Treasures at the Cleveland Museum of Art offers just 38 outstanding objects, ranging from the gem-encrusted silver-gilt cross of Justin II, a gift of the Byzantine Emperor to the Pope in the 6th century and the sumptuously illuminated Christmas Missal of Alexander VI, to the finest surviving suite of Renaissance liturgical garments and altar cloths, intricately woven in gold, silver and coloured silk threads with scenes of Christ's Ministry and Passion. Last but by no means least comes Caravaggio's nearly 10ft high "Entombment of Christ" (February 8-April 12).

More contentious treasure-trove is to be found at the Hermitage in May. The museum stages an exhibition devoted to the German merchant and amateur archaeologist Heinrich Schliemann, who made a fortune in St Petersburg and spent it excavating the site of the ancient city of Troy. In 1873 he made what he described as "the greatest discovery of our age", what he believed to be King Priam's treasure. His collection was presented to the German nation, but was appropriated in 1945 by the Russian Army's Trophy Brigade, and its fate remained unknown until recently. The gold - though some believe it all fakes - is in the Pushkin; the ceramics and bronzes are in the Hermitage, and the latter go on show for the first time since 1945.

In Moscow, meanwhile, at the Kremlin State Armoury, there is *Treasures from the Tower*, highlights from the collection of the Royal Armouries in London (until mid May). In June, the Kremlin reciprocates with over 100 of its finest objects, destined for the

Tower of London. Later in the year, the Metropolitan Museum in New York presents *Heretic Armour of the Italian Renaissance: Filippo Negroli and his Contemporaries*. In the hands of Negroli and his Milanese workshop from 1530 to '50, parade armour was transformed into spectacular relief sculpture inspired by the deeds of the classical heroes. Paintings, drawings and prints complement the show (October 6-January 31, 1999).

China: 5,000 Years must be the most ambitious show of the year, at New York's Guggenheim Museum (February 6-June 3) and Guggenheim SoHo (January 29-May 25). A reflection of America's current passion for Chinese antiquities and interest in its contemporary art, the show brings us everything from Neolithic jades and archaic ritual bronzes to Han and Tang pottery tomb figures and Buddhist sculpture to Song, Ming and Qing porcelains, scroll painting and calligraphy.

For those who missed the blockbuster *Chinese Imperial Treasures from the National Palace Museum in Taipei*, the show now comes to the Grand Palais (October 6-January 11, 1999). When in New York, it drew an average 8,000 visitors a day. On a more modest scale, the Percival David Foundation in London offers *Rare Marks on Chinese Ceramics* (October 1-March 31, 1999); the Fitzwilliam in Cambridge, *The Lost Century: Japanese Arita Porcelain 1720-1820*, a show of some 350 pieces from western collections presented in the light of new research in Japan (January 20-April 5, Royal Museum of Scotland, April-July).

In terms of western ceramics, London's Royal Academy offers us *Picasso: Sculptor and Painter in Clay*, September 17-January 1, 1999. This will be the first exhibition devoted to this near-neglected aspect of the artist's work, presented with paintings, sculpture and prints to demonstrate the cross-fertilisation of ideas between different media.

British Delft from Colonial Williamsburg, the world's second largest holding of these highly decorative earthenwares, charts their manufacture, purchase and use in England and colonial America. Wadsworth Athletenium (February 8-April 5), 3,000 years - everything from models of gods and hippos to cosmetic boxes - are promised in *Ancient Egyptian Faience*. This international loan show opens at the Cleveland Museum (May 10-July 5) and travels to the Rhode



A sumptuously illuminated page from Pope Alexander VI's Christmas Missal, which is one of the 38 outstanding objects from the 'Vatican Treasures' exhibition arriving at the Cleveland Museum in February

Island School of Design (August 24-January 23, 1999) and to the Kimbell Art Museum in Fort Worth later next year. Those reluctant to visit modern-day Egypt might like *From Tombs, Temples and Palaces: Treasures from the Egyptian National Museum in Cairo*, at the Kunsthistorisches Museum in Vienna, August-October.

Last year was the year of Cartier. In 1998 the spotlight falls on Chaudet. *Chaudet Paris: Two Centuries of Creativity* charts the jewellery, objects d'art and silver made by the firm from the age of Napoleon to the present (Musée Carnavalet, Paris, March 25-June 28). At the Cooper-Hewitt in New York (February 3-April 12) and the Smithsonian in Washington (May 15-August 15) is *The Jewels of Lalique* with jewellery, glass and design drawings from the Art Nouveau master-

craftsman. The Metropolitan Museum, meanwhile, celebrates the 150th anniversary of the birth of Louis Comfort Tiffany with examples of leaded-glass windows and lamps, blown-glass vases, furniture, metalwork, enamels and jewellery drawn from his own collection.

Charles-Honoré Lannuier was responsible for introducing *le style antique* to America after his arrival in New York in 1803. The first comprehensive survey of his Graeco-Roman revival furniture is staged at the Metropolitan Museum, New York March 17-June 14. It is the beautifully crafted utilitarian furniture created by the Shaker communities in America, however, that comes to Britain this year. *Shaker: The Art of Craftsmanship*, presenting some 100 objects drawn from the Mount Lebanon Shaker Collec-

tion in New York, shows at the Barbican Art Gallery, London, (January 22-April 26) and the American Museum, Bath (May 16-October 18).

Finally, the major show at the Victoria & Albert Museum in London is devoted to the greatest of all decorative woodcarvers. *Grinling Gibbons and the Art of Carving* offers an insight into how these extraordinary limewood swags of fruits and flowers and leaves were actually made, thanks to the recent restoration of his work at Hampton Court Palace. His masterpiece, the Cosimo Panel, commissioned by Charles II as a gift to the Duke of Tuscany in 1682, is a highlight of the show, which also includes church altarpieces, canopies, overmantels and a selection of his limpidly beautiful drawings (October 22-January 31, 1999).

Opera/Pierre Ruhe

Gergiev's Boris

The Metropolitan Opera has once again taken on the issue of Musorgsky's stark, unorthodox orchestration of his great Russian epic, *Boris Godunov*. This season's *Boris*, revived in the solid production by August Everding and Ming Cho Lee, premiered a new orchestration of the score by the American musicologist Igor Buketoff.

The opera's fame spread through Rimsky-Korsakov's romanticised and conventionalised orchestration. Since the 1970s, the Met has sworn by a (mostly) original version of the score, although in performance hundreds of minor "touch ups" were deemed necessary by sundry conductors. Despite claims of restoring the composer's unique voice, what the Met played blunted the score's roughest edges and smoothed its lumbering crudities.

So although expectations were frankly mixed for this new edition's quality, in the pit was Valery Gergiev, the most convincing interpreter of Russian operas today. If any conductor could extract seemingly pure Musorgsky from Buketoff's revision, it would be Gergiev.

Yet what we heard sounded far removed from Musorgsky's defiantly original, almost cubistic style. At times Buketoff's orchestration is heavier even than Rimsky's: much of the Polish scenes of Act 3 was as lush and seamless as a Tchaikovsky ballet. As Musorgsky scholar Richard Taruskin wrote, previewing this version, that Buketoff's orchestration seeks "beauty, not truth". We are impressed with the polished grandeur without coming any closer to Musorgsky's intentions.

As the title character, Samuel Ramey conveyed the authority and weight of the self-tortured czar, yet his cold delivery left a fully developed psychological portrait unfinished. His Boris remained remote because we never felt his torment. In contrast, Olga Borodina sang

as if she were born to the part of the Polish princess Marina. Her dark, full mezzo enriched a characterisation that was queenly, regal, ambitious and petty.

There remained the problems inherent with an international cast: although Ramey's diction and pronunciation were excellent, he couldn't compare with the idiomatic singing of Sergei Larin as the pretender Dmitri or Constantin Plujnikov, who sang a whiney, well-realised Shuisky.

Throughout the evening it was Gergiev and the responsive orchestra who drew the listener's ear. They shaped supple long lines and imbued details with colour as few other partnerships could. Now that Gergiev (who remains director of St Petersburg's Kirov Opera) has been appointed the Met's principal guest conductor - he will lead eight productions over five years - it appears a pipeline between the two companies has been constructed. More Russians will sing in New York; the wealthy Met can help the financially struggling Kirov with co-productions and a hospitable venue for its annual tours. This high-level collaboration appears doomed for artistic success.

Following Gergiev around can be an exhausting experience: after the Saturday matinee performance of *Boris*, he conducted the New York Philharmonic in Mahler's Sixth Symphony. Though his Mahler contained fresh passion and lucid excitement, it was rarely moving. Gergiev interpreted like an Italian, and put flowing melody clearly ahead of harmonic backbone. A sense of journey (spiritual, philosophical) was missing. He fired the second movement with initial chords and brutal percussion, as if Mahler prefigured Shostakovich. And the tranquillity of the Andante Moderato was charged with a nervous energy - a characteristic result from Gergiev.

Theatre/Alastair Macaulay

One man's psyche

Although *Martin and John* belongs to at least three genres that I have come to regard with alarm - the one-man show, the AIDS play, the memory play - it confounds my doubts. A stage adaptation of Dale Peck's 1993 novel *Fucking Martin*, its memories are fragmented.

It is John who addresses us. His victimised mother, his punitive and alcoholic father, the parade of his bygone male homosexual lovers, his eyewitness account of the AIDS-related symptoms of dying lovers, his life-changing relationship with one truly loving lover: he delivers these to us in non-chronological sequence, and only gradually do they add up into a portrait of a life and a psyche.

John is played by Sean O'Neill, who is also responsible for this dramatic adaptation. At first, *Martin and John* seems to be largely a display of actorly virtuosity: as the play (directed by Eileen Vorbach) proceeds, however, you see how John

drops that facade, and why. Although his performance goes on qualifying as *100 per cent force*, it increasingly immerses itself in his experience he is describing, as we react less and less to him, more and more to it.

Martin and John contains one of the most shocking accounts of what I would term as sexual perversion that I have heard, and certainly the most explicit account of AIDS-related symptoms. By the time you reach these points, however, what hits you hardest is what they reveal about the psyche that is being so painfully, yet coolly, revealed.

John writes/speaks his recollections with a certain distance that is part of the drama. In trying to recount the facts of his past, in trying to analyse his own feelings and/or lack of feelings, he is bit by bit, coming to terms with himself. You are plainly aware that you are witnessing a *100 per cent force*, and are compelled by its seriousness.

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FOOD AND DRINK

Yippee – round-up time for cowboy cuisine

John Fitzgerald finds new interest in chuckwagon cooking

Pity you missed our Testicle Festival," said Stuart Allen at a corner booth in his Calgary restaurant, as he lifted a bottle of chardonnay cooling in the bowl of an upturned Stetson, and paused before pouncing with the puns: "People went nuts, I tell you! We really had ourselves a ball."

It was a Saturday night at Buzzards, an establishment Allen grandly calls "the cutting edge of the renaissance for cowboy cuisine". A group of German men who had become fast friends with the puns, were practising their "Howdy's", between burps, and a young, attractive woman in a cowgirl outfit scurried about serving Saddle Creek Sashimi and Filly Flet to a trio of Japanese.

The décor in the dining room had all the ranch-style reassurance, complete with recycled barnwood on the porch, and walls hung with saddles, boots, hats, barbed wire "art" and western oil paintings. There were even taped cowboy poetry readings in the loo, a bit of a stretch, perhaps, but no one seemed to be quibbling.

Allen's British accent cut distinctly through the beery chatter. "I admit I don't exactly fit the mould to be doing this kind of thing," he smiled, his fingers toying with a rope bit lassoed

round a folded napkin. "I come from Sussex, was trained as a geologist and I hate riding horses."

Indeed, without any of the usual accoutrements, the neckerchief, denim jacket, or even the pointed boots, Allen's appearance is about as far off from cowpoke as it is possible to be. And his soft-spoken manner – lame puns aside – hardly fits the image of a man running a venue dedicated to the joys of chuckwagon chow, albeit with a 1990s zip.

But that is exactly what Allen has become since he remodelled his wine bar in the downtown section of Canada's bustling oil and beef capital, and turned the place into something of an oasis for greenhorns, many of them tourists from Europe and Asia hankering for a taste of the Old West.

Collaborating with Wade Patterson, Buzzards' youthful and talented executive chef, Allen has come up with a menu that adds sex appeal to traditional cowboy and native Indian concoctions.

From the son-of-a-bitch stew (rabbit, wild boar and pheasant), buckaroo beans, and buffalo steak, to prairie oysters (skinned testicles of castrated bull calves that were once served hungry cowboys at branding time, and are here grilled in a beer and herb sauce and served with Canadian back



bacon) grub, at Buzzards' at least, is getting its taste of glory.

"What we're trying to do is rekindle the great mythic images of North America through our food, service, music and atmosphere," explained Allen, whose enthusiasm for the western theme includes having the words "Trail boss" and (a bit of Britishness here) "publi-can" printed on his business card.

Looking to expand the scope of his long established wine bar, and tired of experimenting with changeable food trends, he came up with the idea of creating a cowboy restaurant that went beyond the usual ribs, steak and potatoes fare available elsewhere in town.

Here in what's supposed

to be Cow Town, home of the Calgary Stampede, there was no 'cowboy' restaurant that was doing it right," he recalled. "Two of the strongest themes in cooking today are the use of local ingredients and the adaptation of traditional recipes, and that's what we've done. Traditional recipes, local ingredients, modern techniques and tastes."

Whether his restaurant concept is the result of a marketing strategy or because Allen was truly intrigued by Alberta heritage, he doesn't say. But he did do his homework, spending weeks in Calgary's Glenbow Museum, home to a large collection of cowboy archives and memorabilia, where he researched the foods that were served in

cattle country of a century ago. The initial finds didn't seem all that appetising, at least to modern palates, as this excerpt from *The Cowboy As He Is*, published in 1885, makes clear:

"The table was bare, the plates and cups were of tin, and the coffee was in a pot so black that night seemed day beside it."

Allen persevered, and was soon knee-deep in recipes, some of them laid down by the chuckwagon cooks who worked on the Alberta ranches in the 1880s and 1890s. Names varied, but whether they were referred to as "beanmasters", "dough-belly", "potraffler", or just "cookie", these men were responsible for keeping bel-

lies full with limited resources.

One local restaurant critic called Buzzards' food "heavy, heritage chow that tastes good, fills you up, and gets your fingers messy", and although the Caesar salad and café latte give one pause with regard to authenticity, the rest of it is a big hit with the folks who travel in air-conditioned tour buses on their way to the majestic Rockies.

Even the finicky hometown crowd is starting to come round as well, although with some reluctance. Blame it on the forward-looking attitude of a city where anything older than 30-year-old structures is seen as heritage. In fact, Calgary's Palliser hotel, built in 1914, and one of the grand

railway inns stretching across the country that recall the era of nation-building, looks positively out of place surrounded by towers of glass and steel.

"That name! Buzzards," exclaimed a Calgary native, proud to be part of the entrepreneurial culture which gloats about the city's being one of the new economic engines of the country. "I wouldn't be caught dead associated with these carcass-picking beasts." And her loss it is.

The evening we dined there, prairie butter was to be had as a starter, consisting of grilled beef bones cut in half and oozing with melting marrow. Buffalo tongue came air-dried in a log-cabin-like construction served with wild rice pan-

cakes and cranberry ketchup, and the Indian Candy featured brown sugar-cured smoked salmon that was sitting on spinach leaves, with nuts, raisins and dried fruit in a light vinaigrette. Buffalo steak, considered much leaner than beef, was prepared in a sauce of molasses and peppercorns.

Thirst-quenchers go native as well. The wine list showcases many of the products of the Okanagan vineyards in neighbouring British Columbia, and non-alcoholic beverages include sarsaparilla, a drink combining lime juice and root beer, and so-called Bug Juice, once a popular libation on the trail that resulted when juices from the roots of a climbing shrub were extracted.

"There's a lot of Hollywood kitsch and myth in the whole cowboy culture," says Allen. "There were never more than perhaps 20,000 real cowboys, and the much-touted Pony Express lasted for a grand total of 11 months."

"The great cattle drives from the Texas ranches to the northern railheads were almost over when ranching began in Canada in the 1880s. That said, it was a fascinating period nonetheless, full of hardships and possibilities."

Allen, 42, emigrated to Canada almost 20 years ago, after studying geology in London. "There was the IRA bombings going on," he remembers, "and a lot of labour unrest, and it looked like England was going down the tubes. Maggie Thatcher hadn't come to power yet, and I basically wanted out. I'd met some Canadians and really liked them."

He married a local, and settled down to the rhythm of the range. Or at least that part of it that takes in rip-roaring Calgary, a city that in recent years has been broadening its culinary horizons, including, Allen claims, the embrace of heritage foods.

"People here have done the trendy thing," he said, before moving off to another table. "They've gone to New York for the food weekends, and done the Napa Valley thing. Now, finally, they're coming back to their own."

■ *Buzzards Cowboy Cuisine, 140 10th Avenue, S.W. Calgary (403-264-6352).*

E T R O

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FOOD AND DRINK

For the love of a good armagnac

Great age does not necessarily produce a great spirit, as Giles MacDonogh discovered

Armagnac has always been the junior partner in the brandy business. The reasons for this are both historical and geographical. Gascony did not benefit from the trading privileges accorded to wines and spirits made in the area around Bordeaux, and the nobility of the region had no say in the powerful Bordeaux Parliament. It was also a long way from the centre of production down the Garonne River to the sea.

It may have been, no one can quite remember today, that that old armagnac was rosy; without the finesse which came from the greater means and technical proficiency existing around the more famous town of Cognac in the Charentes. In those days, both brandies were made by distilling the spirit not once, but twice, in swan-necked, batch-method, pot stills.

In the last third of the 19th century, armagnac abandoned this expensive and time-consuming method of production, and

went over to the continuous still. The first thing they would have noticed was that the distillate they produced was much lower in alcohol: instead of being 70 per cent pure, it was around 45 per cent or more impure. This gave the spirit more taste of the original wine, and made it earthy and rustic.

With time, however, the locals observed that the spirits left in cask threw on a panoply of delightful tastes which the old, double-distilled brandy had lacked: these are now the archetypal tastes of old armagnac - prunes, beeswax and incense. These rare old armagnacs were inevitably expensive to produce, but they made the whole exercise worthwhile. A century after the introduction of the continuous still, the law changed and

the pot still was reintroduced. Bigger companies were happy to take it on board. They knew that the pot still could make a more palatable brandy more quickly. You threw in some caramel, and lent the spirit some of the spicy flavours associated with new oak casks and whoopee! A good, marketable product.

Except that it is not doing that well these days, and it is not really armagnac. In as much as the Frenchman still drinks, he has a Scotch or a pastis. Armagnac is mostly confined to the post-prandial restaurant snifter and, if you are going to let yourself be tempted into taking one, you will have the real thing: some ripe old vintage celebrating a birthday or anniversary.

Just before Christmas I was in an almost empty bar in the rav-

ishing bastide of Fourcès near Condom. Two locals and the landlord were weeping into their pastis, lamenting the passing of viticulture in that part of the armagnac producing Ténarèze. Fifteen years before, the village had been surrounded by vines. Now they had all been grubbed up. Some strangers came in. They wanted to know which was the best armagnac: "Ténarèze," they chimed. They would, wouldn't they?

François Héron would probably agree. He, too, favours the mainly rusticity which comes from the clay soils of Ténarèze to the more perfumed spirits issued from the sandy Bas Armagnac. "Armagnac for women," he calls them. He blends and buys for the old firm of Janneau.

This used to be the local off-

shoot of Martell, but things have changed and Janneau is now owned by the Milanese businessman Armando Giovannetti. The team is properly international. Giovannetti is the Macallan of the armagnac world, and he has installed Willie Phillips, the former managing director of the Scottish distillery, to run Janneau, assisted by Giovannetti's son, Fabio, and the English-born Lithuanian Peter Jakobsen.

Héron doesn't disagree with me about great armagnac either; except to say that it is rare and unpredictable. He reminded me of a third sort: armagnac made on a column still, but produced at alcohol levels which come close to pot. This was the very worst. To prove his point he put some under my nose. I could not bring myself to sip it, yet this

was France's biggest seller.

There are other quality factors besides the stills. The wine is one. Certain grape varieties produce much better wine for distilling. The Folle Blanche was always the best, yet it represents only 5 per cent of the grapes grown. The European Union is trying to stamp out the hybrid Baco, but those who love armagnac are almost unanimous in their high regard for Baco.

Janneau does not use a continuous still, which doesn't mean they do not market continuous still brandies. They buy these from the farmhouse producers. Some goes into their better blends, while the old vintages are always continuous still armagnacs.

After our argument (it was a friendly one), he took me into his

lair and began uncorking bottles. We looked at a succession of vintages. The youngest we discounted: 10-year-old vintage is not ripe enough, it does not have the desired rancio character which manifests itself in a whiff of some citrus fruit like tangerines. The 1975 had this, and the 1964 had more besides: a rich toffee and butter taste which was delicious. That was a favourite.

So was the 1942 although there was some woodiness, the cake-shop smell of the spirit made you forgive it. Great age did not necessarily mean great armagnac, however. The 1950 had been too long in cask, and the 1924 was sweet and spicy, but had a degree of hardness which made it lag behind the front runners, even if it was a good, mainly drink for all that.

Vintage Janneau armagnac is available from Furniss-Roe & Nicholls of Wembley (0181-900-1949); Cotswold Vintners (01454-325124); and Castiglione in Ascot, Surrey (01344-624849). Prices from £67.40 for the 1967s.

How to get the best food in Morocco

Anissa Helou revisits old favourites and makes some new discoveries

Moroccan cuisine is London's food of the moment. This is not surprising since Britons are always looking for more exotic tastes. Even 2,000 years ago, Pliny the Elder knew that "Africa always brings us something new". However, what is difficult today, as in ancient times, is to eat well, really well, in restaurants in Morocco.

Most of its restaurants, *restaurants touristiques*, cater mainly for tourists, since Moroccans hardly ever go out to eat.

As a result, practically all carry the same menu. The dishes they offer are those that are best known: chicken with preserved lemons and olives, lamb with prunes and, of course, *cous-cous* with vegetables and meat.

Starters, too, are the same everywhere: *harira*, a thick soup with meat, pulses and tomatoes; *salades variées*, which are often piled together on one plate; *briouats*, savoury pastries filled with meat, chicken or rice; or *pastilla*, a sweet-spicy pie. It is regularly deep-fried, a definite no-no, instead of being slowly cooked in a special pan to make the pastry crisp and golden.

Prepared well, these dishes are delicious - but in most restaurants they disappoint. However, a few chefs refuse to follow the tourist trail - and the food in those places is as good as the best Moroccan home-cooking.

In Rabat, I was steered by Moroccan friends to Dinarjat, a favourite place for politicians. Dinarjat is located in the heart of the medina at the end of a narrow, dusty street deserted except for a few children. The restaurant is charming and the food exceptional.

You knock on the door of this converted house to be greeted by a graceful young waitress wearing traditional Moroccan dress. She leads you through a dark corridor to a small inner courtyard with a *zellige* (mosaic tile) wall fountain. In each of the four cor-

ners is a low, round table set in front of elegantly upholstered corner benches. You can also eat in darker rooms off the courtyard where the seating is European style. My waitress came to scatter a few red rose petals over the white tablecloth before offering me a finger bowl of fragrant water.

I started with their pigeon *pastilla*. Then followed a selection of salads, each on its own small plate, and all delicious. Most Moroccan salads are cooked. My selection included poached lamb's brains in a tomato and coriander sauce; *za'atar*, a chunky mash of steamed aubergines and garlic seasoned with olive oil, lemon juice, cumin and paprika; grated carrots dressed with orange juice and cinnamon; and cucumber flavoured with orange blossom water, icing sugar and thyme.

After that came the dish of the day, described on the menu as "the cravings of a pregnant woman". It was a lamb *tagine* (stew) cooked in a saffron sauce and topped with pears stewed in honey. In between the pears and the meat was a thin layer of sweet tomato confit. The whole was sprinkled with toasted sesame seeds and each bite was an extraordinary mixture of complementary tastes and textures.

Dinarjat also offers other less common dishes such as *tagine de mouton*, spiced lamb stew with raisins and honey, garnished with toasted almonds. *Mrizziyya* is usually prepared for Eid el Kebir - a feast to commemorate the sacrifice of Abraham, as well as the period of pilgrimage to Mecca - and is not normally a restaurant staple.

The meal was exquisite and, at the equivalent of £25 a head, expensive by Moroccan standards, but excellent value. That is roughly the cost of a meal in most of the restaurants listed here.

In Tangiers, my favourite place, which I have been visiting for the last 15 years or so, is El



On the streets of Marrakesh you are on your own. Your flair and judgment are your best guide for finding the finest Moroccan cooking

Bruno Barbey/Magnum

Korsan at the elegant Minza hotel. The restaurant is large and on two levels. The atmosphere is peaceful - until the musicians start playing for the belly dancer.

After discussing the various dishes with Hassan, the immensely talented sous-chef, I decided to skip the starters and plumped for a lamb *tagine* with a sweet tomato sauce followed by a *cous-cous t'ajja*, a speciality of northern Morocco containing chicken, raisins and onions.

The lamb *tagine*, made from the shanks and leg, was superbly tender with hardly any fat, and the lightly sweetened tomato confit was delicately spiced with cinnamon and pepper, quite different from that at Dinarjat.

As for the *cous-cous*, the grain was light and fluffy and the caramelised onion sauce had just the right amount of raisins. I should have stopped then, but I had already ordered a special *pastilla* with milk.

Pastilla with milk is made in two different ways. At El Korsan, they use only one or two large sheets of filo, the Moroccan version of filo pastry, which they sprinkle with almonds and serve with a jug of milk mixed with sugar and orange blossom water.

You pour the milk on the *pastilla* and eat it quickly before it goes soggy. The other way is to pile sheets of *warka*, sprinkling every few with a layer of

almonds, then to pour a kind of vanilla-flavoured cream all over the top. This is nothing like as delicate or as refined as El Korsan's.

In Casablanca, the best restaurant is the Douira at the Royal Mansour hotel. It was first opened by Pierre Bergé, now director of La Mamounia in Marrakesh, and it won the best

Everything shimmers: the mosaics, gold-threaded fabrics and the silver

restaurant of Morocco award in 1996. The walls glitter with jewel-like *zellige* and the ambience was more convivial than anywhere else I had been.

My starter was an assortment of *briouats*, crisp and scrumptious, followed by *heringa*, a *tagine* of calf's foot with chick peas and wheat. Traditionally, it is cooked all night over a charcoal fire for the meat, pulses and grain to become meltingly tender, while the boiling liquid reduces to a thick and unctuous sauce.

Next, on to Essaouira, a lovely

old port town where Orson Welles filmed *Othello*. It has one of the most charming hotels in Morocco, Villa Maroc.

You feel as if you are eating in a Moroccan home. The service is friendly and efficient. When I was there the menu featured a cooked salad of grilled peppers and tomatoes and a *tagine* of lamb with delicately honeyed courgettes.

In Marrakesh, you are spoilt for choice. Highly recommended are, in the medina, Yakout and the restaurant at the Tishka hotel. Both are decorated by Bill Willis, the American decorator who uses a mixture of western and Moroccan styles to create sumptuous interiors. La Rotonda and Dar Fes are good, too.

The two that I like most are La Mamounia's restaurant and Styli, where the carpets are strewn with rose petals. Styli is situated in a part of the medina closed to cars. Mr Chami, the owner, has posted a porter at the street gate to receive his clients and lead them down the bustling alleyway to his establishment. The restaurant was once a grand house. The main eating area is in an immense covered courtyard lit mostly by candles. Everything shimmers: the mosaics on the walls, the gold-threaded fabrics and the silver on the tables.

The food is as dazzling as the atmosphere. Mr Chami wanted to

reproduce in his restaurant's kitchen the smells and tastes of his mother's kitchen. For that purpose his mother is responsible for training the cooks, all of whom are women.

I had two meals at Styli. The first was to sample a Moroccan feast called *diffa*, where only the finest dishes are served. At this feast, the dishes kept on coming: these included *pastilla*, with pieces of pigeon, calf's feet stewed in honey (one of the most refined dishes I tasted in Morocco), lamb with quince and onions, more lamb with figs, and chicken with *arid*, a kind of thin pancake.

The following evening I had a less elaborate though no less memorable meal of fish stuffed with rice and olives, a *tagine* of chicken with aubergines and finally *tangia*, lamb cooked in an earthenware jar buried in hot ashes. *Tangia* is a speciality of Marrakesh and the only Moroccan dish traditionally prepared by men.

The atmosphere at the Mamounia is very different. Where Styli is dark and mysterious, the Mamounia is bright and brash. The food is excellent. Boujemaa Mars, the head chef, is doing away with the tradition of having only women cooks and is training young men in the secrets of making *warka*, *cous-cous* and other dishes.

After the usual salads and *briouats*, which were all perfect, I had a baked sea bream marinated in chermila, a mixture of fresh coriander, onion, olive oil and lemon juice seasoned with chilli pepper and other spices.

Following that came the surprise dish *Boujemaa* had promised me: *medfin*. *Medfin* is steamed vermicelli in which are buried young stewed pigeons. The whole is sprinkled with cinnamon and served with icing sugar.

There is another way to sample authentic Moroccan food: to eat on the streets. For that there is no better place than the daily souks in the villages around Marrakesh, where you can be sure of the food's freshness.

But on the streets you are on your own. Your flair and judgment are your best guide for finding the finest Moroccan cooking. If you have already eaten in one of the restaurants listed above - and at one of the *restaurants touristiques* - you will know what is good and what is not.

Anissa Helou is finishing a book on Moroccan street food. She travelled to Morocco as the guest of the Moroccan Tourist Office. She stayed at the Minza hotel, Tangiers; The Rabat Hilton, Rabat; the Royal Mansour, Casablanca; Villa Maroc, Essaouira, and the Tishka, as well as La Mamounia in Marrakesh.

There is something about the new year that makes my feet itch. Prompted by the thought of desk-bound February routine, and heightened by the tempting thud of travel brochures falling through the letterbox, this year I think I shall take a winter break.

Far-flung, sun-drenched locations are not unappealing but trying to squeeze into a swimsuit so soon after Christmas feasting seems implausible.

Distances, I have decided, are not a prime requirement. This could be the time to consider exploring places much closer to home, those parts of Britain and Ireland I have always promised

Guides to avoiding winter routine

Cookery / Philippa Davenport

myself to visit "one day". Hotels are not the only places to stay, of course, as many have discovered, since the first edition of *Off the Beaten Track* was published many moons ago.

One of my favourite little handbooks is the *Wolsey Lodge Directory*, subtitled *Welcome to Our Homes*. Wolsey Lodges are named in memory of Henry VIII's chancellor, the *bon chapeau* Cardinal, who expected to receive generous hospitality

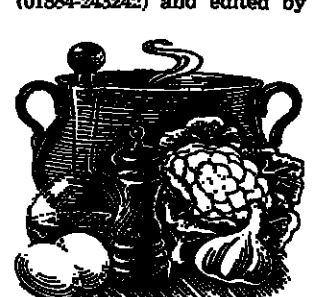
at any country house at which he halted when touring the realm. A consortium of more than 220 individual private homes, some grand, some modest, Wolsey Lodges are places where the visitor may be entertained as a friend rather than suffer the impersonal mini-bar, trouser press and fax machine services of hotel life. To obtain a copy of the 1998 edition, call 01473-827500. *The Hidden Ireland* is its Irish equivalent (00 353 509 20572).

Other Irish welcomes may be found in private town and country houses and small owner-managed hotels listed in *Ireland's Blue Book* (00 353 4623416). Better known, and embracing far more than where to stay, is *The Bridge-stone Irish Food Guide* by John and Sally McKenna, published by Estragon Press (00 353 2761186). Clearly, the McKennas' distinctive voices give a personal, colourful and enjoyable view of the riches the Emerald Isle has to offer.

The Red Book 1998, subtitled *Eat Well in Wales*, published by Western Mail Books (01222-583583) is the first edition of a new guide to the principality. It covers the full gamut of resting and eating places, palatial and simple, not only hotels but farmhouses, B & B guest-houses, restaurants, pubs, tearooms and youth hostels, too, in fact anywhere the compilers believe that the owners and caterers do well

what they set out to do and wave the Welsh flag with pride.

Another newcomer this year is *The Guide to Good Food in the Westcountry*, published by Halsgrove (01894-243242) and edited by



Tom Jaine, former editor of the *Good Food Guide*. Like *The Red Book of Wales*, this is rooted in encouraging regional excellence. Whether your preference is for posh feasts in starred dining rooms or crab teas on the beach, to get good value for money and enjoy a true taste

of the area, check with Tom Jaine before booking a room or a table.

ALIGOT

(serves 4)

If an element of foreign is essential to your idea of a holiday, you could do worse than to stay warm and cosy at home and let Paul Strang take you on a gastronomic tour of the markets, festivals and fairs of southern France. Take 5,000 Eggs, published by Kyle Cathie, is a magic carpet ride, exuberant and appetite whetting, helping me plan trips I must make at a later date. But for now, I am happy to cook from the book. This dish would make a warming lunch or supper with a clean-tasting frizzy endive and chicory salad on the side.

700g floury potatoes; 60g butter; 4 tablespoons double cream; 4 tablespoons milk; 2-4 garlic cloves, finely chopped; 250g tomatoe fraîche de Laguirole or Cantal, thinly sliced.

Boil or steam the potatoes in their skins and peel them. Mash them as finely as possible to a smooth purée in the pan. Over a low heat, beat in first the butter then the cream and milk, and keep beating until the mixture is really light - this will take time and effort.

Stir in the garlic and seasoning, and when the purée seems heated through, drop in the cheese, all at once. Continue beating and lifting the mixture as if you were adding egg whites to a soufflé. The cheese has to melt. At a certain point the purée becomes a little tacky and shiny, and comes away from the sides of the pan in an almost pouring consistency. The aligot is then ready, to be eaten immediately.

TURNIP AND CUMIN PURÉE (serves 4) Patricia Wells at Home in Provence, again published by Kyle Cathie, is another hanger of delicious comforts.

Her summer recipes, rife with ripe tomatoes, aubergines, pungent serrano and lavender, appeal to me most. No, that is not true. Many of the winter ones are just the ticket now. The list grows each time I flick the pages.

This dish sounds perfect with plain roast duck or pork, a recipe capable of converting even those who think they dislike turnips. 750g turnips, peeled and cubed; 2 tablespoons butter; a pinch of sugar, about 250ml home-made chicken stock; ½ teaspoon cumin seeds.

In a large frying pan, heat the butter over moderate heat until it sizzles. Add the cubed turnips, salt lightly, add a pinch of sugar and sauté, tossing until the turnips are lightly browned all over, about 7 minutes.

Cover with chicken stock and cook over low heat until almost all of the liquid is evaporated, about 30 minutes. Transfer to a food mill or the bowl of a food processor and purée. Season to taste with cumin, check seasoning and serve warm. (This purée can be prepared several hours ahead. Re-heat it in the top of a double-boiler set over simmering water.)

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A driver's notebook

Take it slower – and live longer

Some motorists simply refuse to make proper allowance for bad weather, says Stuart Marshall

Every year, I am irritated to be told by headline or news-caster that fog has caused hundreds of accidents on motorways across the UK. It has done no such thing.

Fog cannot cause a single accident. What does cause them is the failure by countless drivers to allow for reduced visibility; to slow down and leave extra space between their car and the vehicle in front.

I saw a lot of similar stupidity last week when much of England was swept by howling winds and torrential rain. Luckily, I had no need to use any motorways but, at the height of the storms, I had to make a 50-mile trip on minor roads across Kent.

Flood-water or a fallen tree could have been round any bend; in fact, I came upon both.

In conditions like this, it is not even more important than usual to drive at a sensible speed and strictly within your range of vision.

I would have thought so, a disturbing minority of my fellow travellers that night did not.

There is not much one can do to avoid being crushed by a falling tree, although keep-

ing clear of roads running through woodland improves the odds.

But hitting a fallen tree, or drowning your engine in deep water because you are going too fast to stop in time, are self-inflicted wounds.

Why do some motorists behave like lemmings or the Gadarene swine? Take my experience.

I was driving on a short but straight stretch of road well within range of my Citroën Xantia estate's headlights, when an elderly Saab overtook at 65 to 70mph (105-112kph) and disappeared round a bend.

Had there been a fallen tree or a flood 50 yards ahead, he could not possibly have avoided it. He and his passengers would have become more "victims of the storm".

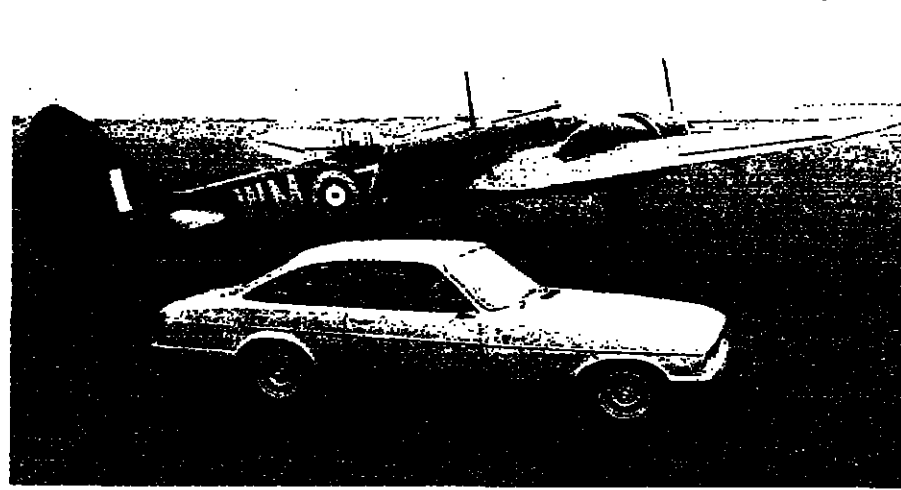
What business of his could possibly have been so important late on a Sunday night

that it justified putting himself, his passengers and other road users at risk? On that, I pass.

Last winter brought a lot of snow and ice. This one – so far, at any rate – has not been Arctic, just exceptionally wet. Shots of cars rushing through floods in clouds of spray make good television news pictures but such driving is a recipe for disaster.

Older cars with carburettor air intakes close to the bonnet top can ford water halfway up their doors. Most new ones cannot. Their intakes are so much lower that driving carelessly into a flood can force enough water up into an engine to wreck it.

Having to be rescued is embarrassing. Learning that your insurer is refusing to pay up because it reckons the damage was due to your own negligence is much worse.



The old and the new... a wartime Blenheim bomber with Bristol's new Blenheim 2 saloon

In the days when motor traders were teddy bear overcoats and sold their cars at the kerbside in London's Warren Street, "a gentleman's carriage" was a popular description of a posh saloon. The term has

dropped out of favour but one marque that could be described, without exaggeration, as a gentleman's carriage remains alive and well.

This week, Bristol announced a new model, the Blenheim 2. Critics reckon

Bristol is no more than a builder of instant classic cars. Not so, says chairman and managing director Tony Crook, who has presided over Bristol's manufacturing and marketing for nearly 40 years.

The Blenheim 2 (named after a second world war British bomber) does look like a classic. The outward resemblance to a 1973 Type 411 is strong, but the new car has its fair share of modern technology. "The difference is that our cars are still hand-made and inspected to the highest standard of traditional British excellence," insists Crook.

Like every Bristol before it, the Blenheim 2 has a robust separate chassis and lightweight aluminium bodywork. Uniquely, the spare wheel, battery, brake servo and fuses are still housed in the front wings, which makes for a very large, uncluttered boot and easy accessibility should things ever go wrong.

It does not have anti-lock brakes, though. "They can make drivers who don't really understand how they work feel over-confident," says Crook.

The power unit is a massive 5.9-litre V8 of unspecified (but it must be at least 300) horsepower with multi-point fuel injection, made to Bristol's requirements by Chrysler in the US. It drives the rear wheels through a four-speed automatic transmission with a switch to lock out top gear when desired.

Top gear itself is so high that, at 70mph (113kph), the engine is turning over at less than 1,800rpm. This is one reason why Crook claims to get about 30mpg (9.4 l/100km) on the M4 when driving from London to the factory at Bristol.

A minority of wealthy motorists of mature outlook believe traditional chassis-based construction, an interior of understated luxury and a large American V8 is an unbeatable combination. There are enough of them around to keep the small production team busy.

As fewer than 100 Bristols are made each year, the £118,778 Blenheim 2 is one of the world's most exclusive cars. Compared with its obvious rivals, it is also cheaper. A Bentley Turbo R is £148,980, an Aston Martin V8 two-door £149,500, and a Bentley Continental £199,760.

Even Damon Hill rides the new breed of scooter

Jack Barker finds things have changed since the mods fought the rockers around seaside Britain

Scooters are smart again. They came to public attention when they were used – and abused – by "mods" during their rallies (and battles with "rockers") at English seaside towns in the 1960s, but lost out later to bigger and more powerful motorcycles.

Vespas were the preferred model then, and they have retained a cult status. Now, though, the humble sit-up-and-beg legshield design, with the engine bolted on the back wheel, has had a complete make-over. Only the shape remains the same.

A new market has opened up across Europe. Damon Hill, the former world motor racing champion, rides one and they are used extensively to get around the pits at grand prix meetings.

They have been "discovered" by youngsters, too. Unfortunately, since the new models cost between £1,800 and £3,000, you should be aware of fashion-conscious urchins showing their appreciation by stealing yours.

The traditional Vespa TS is still sold new, clinging to its old, unbalanced design. You stop with a clumsy foot brake, start with a kick, and accelerating handlebar gear change. But that is old technology, 50 years out of date.

The desirable models are totally different, applying

What you need to know

In the UK, full car licence-holders can drive a 50cc scooter without L-plates. To drive a larger scooter, you will need either a motorcycle licence or a Compulsory Basic Training certificate.

Costs of scooters vary. The Primavera-designed Peugeot 50cc Speedfighter costs £1,799 while Piaggio prices start at £1,499 for the Liberty. The Typhoon 50cc is £1,245 while the 125cc model costs £2,450. The Vespa ET4 125 weighs in at £2,560 and the Aprilia Leonardo is £2,499.

The 50cc and 125cc Piaggio Typhoons were supplied by Metropolis Motorcycles of Vaughan, London SE1 7TP (tel: 0171-323 9313), which also has machines to rent. The Aprilia Leonardo and Piaggio's Vespa ET4 were supplied by Motorcycle City. Call 01252-400000.

twist and go technology to the classic shape. The brakes are on the handlebars, just like a bicycle and the start is electric.

There is an automatic choke, and both gear-change and clutch are fully automatic, keeping the engine buzzing at its favourite revolutions from standing start at the lights to top speed.

They are bicycles with power. And, however hard the Japanese try to catch up, the market leaders in Europe remain Italian, with the French running a close second.

Scooters are attracting a new type of driver. They are not designed for long journeys; within a city such as London, the M35 orbital motorway is a realistic and practical limit.

There are plenty of journeys that fit this pattern, though. Commuters are using them to slash their travel time through thick, rush-hour traffic. Parents are buying them as family run-arounds; often, they prove of more use than a second car, since they are simple to use and can be mastered by anyone.

Many have digital clocks on the dashboard, allowing riders to time their lives to the minute. Legshields keep bad weather off shoes and trousers, while lockable underseat storage is tailored to take care of crash helmet and emergency waterproofs.

Piaggio, which makes the classic Vespa, has led development of the new breed and its hottest model is the 125cc Typhoon. I took one out for a

test and was surprised by its speed although, as a motorcyclist, not converted immediately to the lightweight design.

The problem was in the transmission. There was plenty of power once the machine was moving, but starting meant the two-stroke engine revving away before reluctantly dragging it forward. When the power kicked in, it was decisive, but there was a definite lag.

There was also a problem with noise. Although the dealer I spoke to claimed the Typhoon was quieter than the tyre noise of a passing Mercedes, I did not agree.

At every junction, the pop-pop of the engine racing to engage the clutch brought back vivid memories of sleepless nights in Italian

cities. It was fast, though. Top speed was claimed at 75mph and I took it up to 70, but the small wheels and short wheelbase had it bucking alarmingly in slipstreaming traffic, and I decided this was quicker than I wanted to go.

Disc brakes front and rear and chunky balloon tyres meant it stopped well, but I never got used to an unfamiliar wallowing approach to corners. These were not problems that could be solved even with the generous three-year guarantee that Piaggio supplies.

So, I traded down. The 50cc Typhoon looked the same and had other advantages. Being only 50cc means that a full car licence-holder can carry pillion passengers, does not need L-plates, and

is not required to take a day-long compulsory course in safety.

The smaller engine was faster and quieter on the pick-up, but this soon brought it to the speed of 30mph – at which point, UK traffic regulations clipped its wings.

I have no idea who thought mopeds would be safer if restricted to 30mph in a traffic system that drives at 40, but they should be made to do penance. The legally-restricted engine leaves the rider puttering alongside bicycles, drains and broken asphalt near the kerb while impatient motorists queue to get past.

The fact is that an unrestricted 50 cc, two-stroke engine has plenty of power to offer that extra 10mph

and keep up with the traffic. Aprilia, one of Piaggio's rivals, produces the Leonardo, a 125cc, four-stroke model which is about as smart and expensive as scooters get. Yet, I mounted in a negative state of mind; after all, Leonardo was a genius and this was just a scooter. But, the sneer was quickly wiped from my face.

For a start, the seat was higher and the machine as a whole larger than the Typhoon. As I climbed on to a Vespa ET4, Piaggio's agile and retro-styled update of the traditional scooter shape, the dealer said: "I don't think you'll be as long with this one. It's not as manly."

As I rode the good-looking machine – so balanced that it stayed upright almost at a standstill, and powered quietly by a four-stroke engine – I gnawed at his choice of word. It seemed an odd one to use about a scooter, of all things. But, by the time I got back, I knew what he meant.

the chassis was heavy enough to keep it on track.

Handling was good, too. It sped round corners with aplomb, although bumps and potholes upset things considerably. I did not actually want to give it back but, finally, my time ran out.

As I climbed on to a Vespa ET4, Piaggio's agile and retro-styled update of the traditional scooter shape, the dealer said: "I don't think you'll be as long with this one. It's not as manly."

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The town that thrives on wheels and deals

Gary Mead visits Carlisle, Pennsylvania, where the tin gods rule

Some people argue that big is good. Others say vast is better. For the ones who deal in the truly gargantuan, though, there is Carlisle and its fair.

Set in the heart of Pennsylvania, Carlisle, is an unprepossessing town, unimpressive middle America. It is where military officers come to study past glories, at the US Army War College. It is so far off the beaten track that, inevitably, it is destined for cult status.

Its citizens search, vainly, for something interesting to say about it. The best they can usually manage is that 60 per cent of the US can be reached by overnight truck from Carlisle.

On its outskirts, vast parking lots – lookalikes of the one that took a starring role in Steven Spielberg's movie *Duel* – are on the move at all hours, heading in and out of the dozen or more car and truck dealers.

In Carlisle's town centre, monster pick-ups and ebese

Pontiacs growl throatily through the handful of streets, careful to avoid pedestrians but always threatening the odd Honda or VW if they get uppity.

Normally, you can whisk through Carlisle in a trice. But, 10 times a year, there is gridlock for days as hordes of motor freaks hit town.

Carlisle's car fairs are a world attraction to these chrome-plated, international connoisseurs. Indeed, in 1997, they gorged upon nine different: auto and two antique motor events at the local fairgrounds. The events attracted more than 500,000 visitors from the US and elsewhere.

The 82-acre site is stuffed with the gills for each fair. Some are devoted solely to Fords, others to trucks, others to Chryslers, hot-rods or Corvettes.

The October flea market – known, pompously, as the "Fall Carlisle Collector Flea Market and Car Show" – is the year's biggest event, a vast, sprawling, mass genuflection before the tiniest of Amer-

ica's tin gods. This, after all, is the country where you cannot buy a second-hand car, only one that has been "pre-owned"; and where old cars are touted as "younger models" – which, of course, they are if you invert the telescope.

You can find more or less anything related to combustion engines

There were more than 8,000 different "vendor spaces" – stalls, to you and me – over the four-day October event, selling everything from camshafts to key rings as well as individual vehicles. In Carlisle the Edsel, not Elvis, is king.

All more or less post-1945, the machines on sale ranged from gleaming, souped-up, hand-polished hot rods to

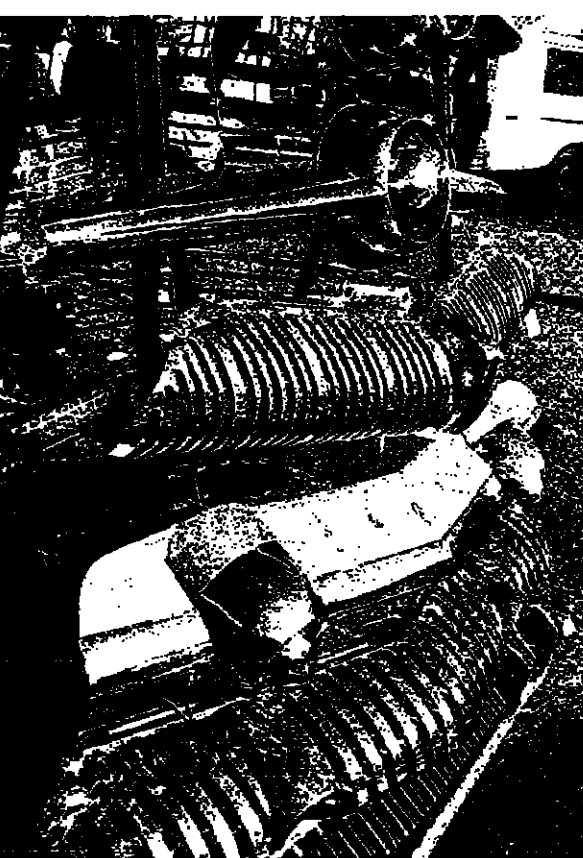
rust heaps with cards on them saying: "Ideal for a project, best offer accepted."

Most of the males wandering round the arena seemed to be searching for "a project", although one told me: "You know what the end result is? You put all that damned money in it and you never get it back. You're better off buying something new."

He missed the point. The old bangers for sale had not been tarted up lovingly for investment purposes but for the thrill of hand-crafting a gleaming vehicle out of a piece of junk. Over there was a handsome 1957 Ford Fairlane 500 coupe with just 48,800 miles – genuine? – for \$13,900. Nearby was a glorious 1949 Buick convertible, a snap at \$29,500.

I fancied a 1962 cream-yellow Thunderbird hard-top, with air-conditioning and a good, new paint job, for \$12,500.

"California car," said the small card in its window. This is code salespeak for: "It ain't got no rust, least-



The stalls sell everything from camshafts to key rings and grilles

ways none you can spot." It is not only vehicles, though. Among the Buicks, Fords, Chevrolet and Cadillacs, you can find more or less anything relating to the combustion engine, and much that isn't. "Check out

that toilet seat! Ain't it wild!" Indeed it was – a clear plastic seat containing a host of international coins, a fine embodiment of that old metaphor equating exchange with excrement.

Small boy scouts weaved

in and out of the crowds, pulling small hand-carts behind them. For a donation of \$5, you could hire one in which to load your purchases and save your arm muscles.

"Remember, you can find it at Carlisle," roared the public broadcasting system. Some sad souls were even haggling at a stand dealing in commercial car videos – a 30-minute promotional movie for a 1980s Chevrolet, selling for \$10.

Somewhere, there was someone collecting some piece of automotive trash, no matter how obscure or apparently pointless. Vendors specialising in hub caps vied with some specialising in Ford hub caps, or others who dealt exclusively in Ford pick-up hub caps from the 1980s. The one big lesson from the Carlisle car flea market is that, for the all-American car worshipper, there is no such thing as trash.

In my bed and breakfast outside Carlisle – even the nastiest motel in town is booked out a year ahead for the car shows, and I was fortunate to find anything at all within a 50-mile radius of the place – I made the mistake one morning of admitting that I drive a battered, 10-year old Citroën.

"What the hell's a Citroën?" asked Michael, a fellow bed and breakfast.

digging into his eggs-over-easy.

Michael had transported his wife, Linda, all the way from Boston – a six-hour drive, nothing at all – to find some spare parts for his T-Bird. She wanted some accoutrements for her "Duster", whatever that was. We three enjoyed an affable non-meeting of minds.

For Michael, the car is on a par with such creations as the cherubim and seraphim. To me, it is by definition a poor investment, a distraction, an inescapable encumbrance.

Michael's face took on a puzzled, pitying grimace, when I told him that I mean at my wife for washing our Citroën twice a year because it seems, to me, a pointless waste of time. How could anyone fail so completely to understand the important things in life?

■ *Carlisle Productions (117) 243 7655. This year's Spring Carlisle is from April 23 to 26.*

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How to Spend It

You gotta go – it's a quality of life issue

New York is back in the swank, once again a wonderland for spenders, says Lucia van der Post

No matter how bad the jetlag, you always know when you hit New York. The chat is different. "I just got out of relationship my analyst said was doing me no good," says the woman on the escalator. Or "It's no good, I gotta go – it's a quality of life issue." Are they all extras from a Woody Allen movie?

New York seems to be back in swanky times. The chilling fear that austerity was on the way seems to have evaporated and even though Barney's, to New Yorkers what Harvey Nichols is to Londoners, is still in Chapter Eleven, it bristles with poshly dressed shoppers and the sounds of ringing tills.

But the old rule of thumb that what costs pounds in the US costs dollars in the US seems true no longer, although, as always in a city where no one believes in paying retail, there are places to find things more cheaply if you know where to go.

Still the best bargain places to shop are the Lower East Side on a Sunday. Otherwise, even the smartest shops always have sales rails – even just before Christmas, when I was there. We bought my daughter a fantastic dress for almost half price at Morgane La Faye, 745 Madison Avenue.

Zara, opposite Bloomingdale's on Lexington, is a good source of well-priced chic women's wear and Banana Republic (branches all over town) is the first stopping place for many a well-dressed Brit.

Century 21, downtown at 22 Courtland Street (tel: 227 9092) may be worth the effort, depending on your addiction to bargains – it has been described variously as hell on earth or fashion Nirvana. Like a giant jumble sale, you rummage through the clothes and might bear away a cut-price Prada, Gucci or Donna Karan. Wall Street brokers go there for

marked-down fancy suits. The best bargains in New York are books. Every neighbourhood has its speciality bookshop but Barnes & Noble, 289 Broadway at 82 Street, or Forbidden Planet at 521 Broadway on Union Square are always good.

Gadgets and gizmos are also worth checking – the latest cameras, binoculars and the like seem to be cheaper in New York than in most duty-free shops. Appliances Overseas, 276 Fifth Avenue, is the place to go and it will pack and ship.

The two main hot shopping areas are Madison Avenue – undergoing an amazing revival with Prada, Calvin Klein, Shanghai Tang – and SoHo. Madison has the outright glamour and show-biz fun of mid-town, compared with the quirky, boutiquey, individuality of SoHo.

Like a giant jumble sale, you rummage through the clothes and might bear away a cut-price Prada

Shanghai Tang, opposite Barney's, is only a couple of months old, but I found it a disappointment, except for the wonderful padded silk jackets (about \$600 each), the jewel-like silk scarves and the Chinese imperial tailors, ready to make anything (at a price) on the first floor.

Eastern aesthetics are infiltrating home and clothing, and no store does it with more sophistication than the jewel-like Takashimaya, 693 Fifth Avenue. More like a museum than a store, it is a visual treat from the flower shop on the ground floor to the furniture and furnishings, to the funky clothing and jewellery.

Bergdorf Goodman, for

those with old-fashioned luxurious tastes, has, for my money, the best home department in Manhattan. Others may be better value (ABC Carpets, Pottery Barn, Crate & Barrel), yet others may be more avant-garde (the downtown SoHo furniture shops) but for sheer sumptuousness and set-piece theatricality, Bergdorf's home department is unmissable.

Those who feel aggrieved at being denied access to Voyage in London's Fulham Road can check it out in Bergdorf's – there's a free and open Voyage department in the store and they'll happily let you part with \$625 for an authentically tatty little cardigan.

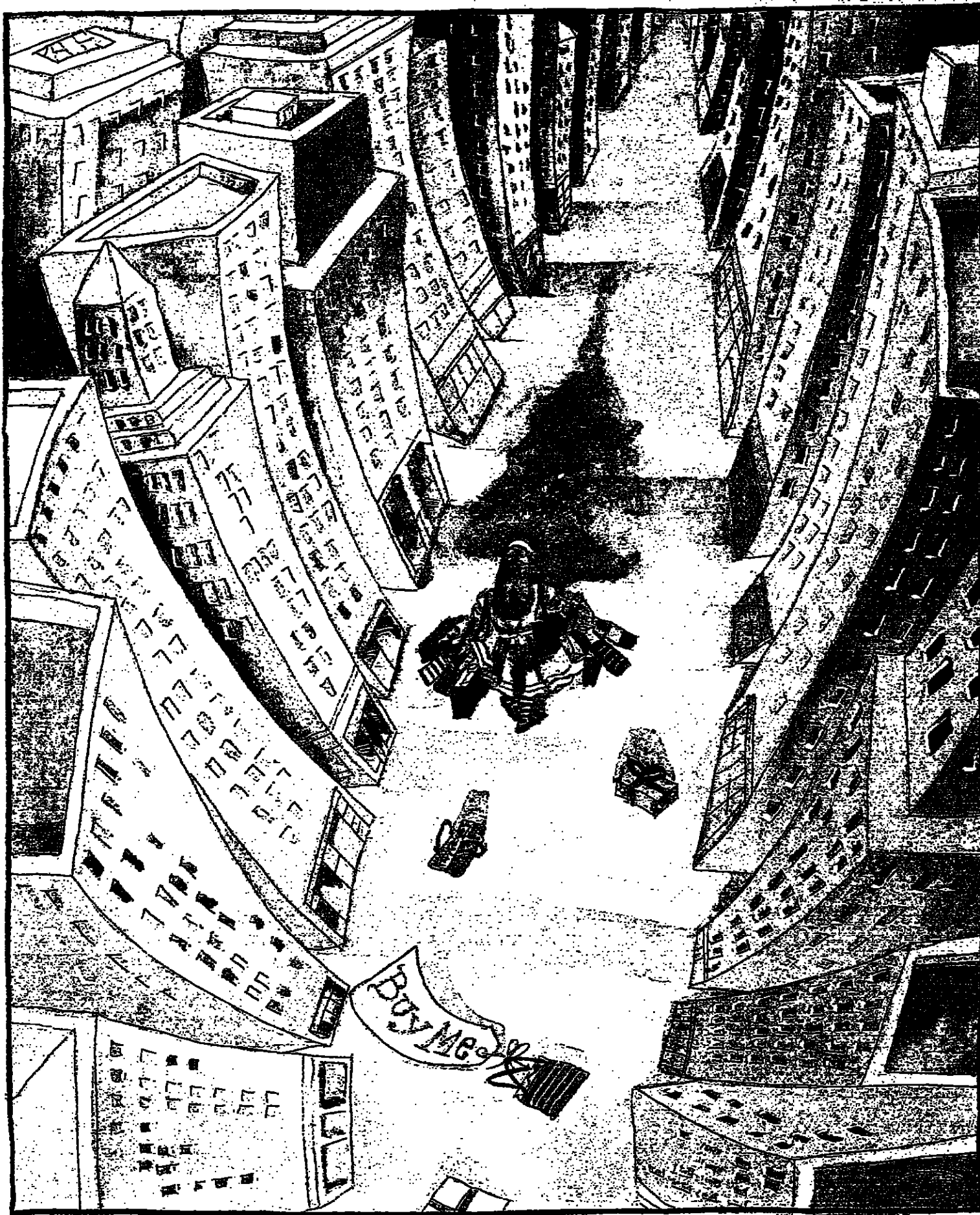
Bergdorf's is also where, if you think your wrinkles merit such expense, you buy the cult cream La Mer (promises, promises) at about \$155 for 50ml or a whopping \$1,000 for the super size.

Felissimo at 10 West 56th Street is the new-agey department store where prices are a little lower. You can buy your fengshui travel kit here, fengshui candles, bells, scented coins and good luck necklaces.

Now Marks & Spencer no longer sells Brooks Brothers wares in its British stores, so fans of the Ivy League shirts, cotton chinos, madras and boxer shorts should stock up at the Madison Avenue shop.

SoHo is still unmissable, and its atmosphere and style is expanding beyond its strict confines. When it gets too crowded, just about every weekend late morning and afternoon, the more adventuresome move over to Elizabeth Street. There's a hat-maker, little clothing stores and second-hand shops, a sought-after shoe shop.

There's also a "sceney" restaurant called Rialto at 265 between Houston and Prince (tel: 334 7900). It has an understated dining-room and, according to the Zagat guide, can be relied on to attract a "beautiful crowd".



For the very young, those in their 20s say, there's the M&R bar at no 264 (tel: 236 0569).

Nearby Ludlow Street is up and coming, too, with cool new boutiques where young designers air their wares.

Don't miss the eastern elegance of Global Table, a new shop at 107 Sullivan Street. It sells wonderful stoneware bowls, square sushi plates in indigo or lime green and cool, celadon green bowls with a crackle glaze.

The Enchanted Forest at 85 Mercer Street is a great place for children's toys – especially the sort that adults love (lots of old-fashioned, wind-up, tin toys and exquisitely crafted wooden trains and animals carved by a New York cab-driver).

Zona, at 97 Greene Street, is still a cult home store – scents and beads and Indian-influenced artefacts.

There are lots of other good home stores in this area – Shabby Chic at 93 Greene Street, Portico Bed and Bath at 139 Spring Street, Wyeth at 151 Franklin Street and the intriguing Urban Archaeology at 143 Franklin Street and 285 Lafayette. This sells authentic (and re-editions of) grand old baths, lights, furniture and the like.

SoHo is more the place for the arty set than for ladies-who-lunch. Helmut Lang has an impeccably cool, clean new clothes shop; and The Laundry seems to be top of the hip young set's list.

Fragments, at 107 Greene Street, sells a charming array of jewellery. Wander around the adjacent streets and you'll come across shops selling old jewellery, old clothing, antique furniture and all sorts of other original pieces.

Beauty is serious business in New York and it's nails – long, luminous, manicured – that mark out the real New Yorker from the visiting scruffy Brit. Get up to speed at any of the manicure-to-go salons on almost every street corner. They are quick and cheap.

In the summer you'll find toes matter, too. Get your tresses tended in one of the myriad salons, but be warned that prices can

make Nicky Clarke look cheap.

Frederick Fekkai has a glossy new salon in the smart Chanel building, while John Barrett has a glamorous salon on the top floor of Bergdorf Goodman, in what used to be Andy Goodman's private apartment. In either place, you'll feel so pampered there's a danger of getting hooked. But if you want the top man, you'll be lucky if you come out with a bill at less than \$300.

For those who find all that much too swanky, Bumble & Bumble, 146 East 56th Street between Third and Lexington, is where the young and hip go for their clean, swinging haircuts and colour. These salons do the music scene crowd.

Marcia Kilgore's Bliss (569 Broadway, tel: 219 8970) is

The trend in this caring, sharing time is for restaurants to go in for communal eating

the new beauty salon favoured by Julia Roberts, Courtney Love and a host of other lovelies. It is rumoured to be so hot that you'd better book now for next Christmas, though I'm told if you go for the unpopular times you'll have more of a chance. It's the oxygen treatments for skin rejuvenation that have made the salon boom – \$80 a time.

Beauty is getting a distinctly new-age tinge with much talk of spiritual values, so shine up your vocabulary. After the fengshui candles, aromatherapy oils and mood-altering perfumes, watch out for vibrational remedy nail polishes.

If this sounds as mysterious to you as it did to me, let me explain. Tony and Tina, who run the vibrational remedy centre, are artists who produced a conceptual piece meant to be a spoof on the cosmetic world. It was about

putting colour therapy at people's fingertips.

But then it got serious. "Retailers," says Tina, "came to us and said guys, this is a hot idea, how about turning it into something real? Now we're selling about 400 \$10 bottles a week at Bloomingdale's."

The thinking behind the nail polishes goes like this. Studies done in 1977 at UCLA pinpointed the electro-magnetic forces around the body (in new-age speak, your aura) and also pinpointed your energy centres (chakras). They found colours had specific effects on the chakras.

"Red," says Tina, "is a great colour for your personal power. It is where our primal instincts are. Orange is great for sociability. When people are choosing colours, we ask which colour they're instinctively drawn to. People are too used to being told what they need – we're trying to let people start evaluating their own needs."

That's just for starters. "In the spring," says Tina, "we're doing hair mascara – a hair wand to stimulate your crown chakra and antidepressant aromatherapy lipstick and aroma colour bath (no bubbles, just pure colour energy). Soon after, we're going to launch an out-of-body machine – it will offer a visual and aural guided tour to help you get out of your body, to have an astral projection experience."

"Are people really up for this?" I enquire tentatively. "Oh, yes," says Tina. "They're ready to listen... we also usually mention that we believe there is a changing global consciousness. As we're approaching the new millennium, I believe people are starting to trust themselves and their intuition."

As you can see, beauty in New York is a much, much more complicated business than it is in our humble British stores.

Now we come to food – never forget that where you toy with your *radicchio* matters. Restaurants, according to a cultured New York friend, are of totemic importance because, at the moment, theatre and music

aren't up to much and no one cooks, so what else, as he says, is there?

Getting a table isn't easy. You either need to stay at the sort of hotel where the concierge can rustle up a table at the crackle of a crisp note or you need to plan your visit like a military campaign. Book before you come. It helps if you've starred in a movie, made the front cover of Time or appeared in Vogue.

Take Balthazar (80 Spring Street, tel: 965 1414) down in SoHo, for instance. It's so hot most of my New York friends haven't yet been able to get a table there. Thanks to a glamorous young colleague, we got in for lunch – I didn't think it polite to ask how. This is a restaurant that receives something like 4,000 calls a day. The sense of triumph at having been allowed through the door is almost – but not quite – enough to make one suspend one's sense of judgment. Very nice it was, all buzzy and Frenchified, with updated French brasserie food, but a little hard to detect quite what all the fuss was about. And no I wasn't sitting next to Sharon Stone,

Calvin Klein or even Bill Clinton.

Making it to Payard (1032 Lexington between 73rd and 74th, tel: 717 5252) was another triumph, this time thanks to an influential friend. An unshowy crowd but wonderful food, relaxed atmosphere and, for those whose waistlines can stand it, some of the world's best pastries.

Altogether fancier, filled with the beautiful people and offering pretty sensational food, is Sirio Maccione's Le Cirque 2000 at the New York Palace Hotel, 455 Madison Avenue (tel: 303 7789). In spite of the higher prices, you won't find booking there any easier. It logs 3,000 calls a day.

The new trend in this caring, sharing, to-die-for time is for restaurants to go in for communal eating. Everybody hopes to sit next to somebody cute. Asia de Cuba (Morgans Hotel, 237 Madison Avenue, at 37th St and Murray Hill, tel: 726 7755) is one of this new breed. Add a menu that is a bold mix of Asian and Latin influences and you'll be lucky (or persistent or famous) to get a table at all.

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How to Spend It

Fashion

Yves St Laurent forty years on

The couturier found his old form in his winter 1997 collection. Avril Groom says much is expected for the spring

The shock troops of fashion these days are more famed for the unveiling they do than for their top-to-toe coverage. Yet the first outfit in Yves St Laurent's last *haute couture* show – a plain, dark brown, full-length coat – elicited a gasp followed by applause.

The coat was made entirely from sable, a rich, rare and very politically incorrect fur. If *couture*, the coat seemed to say, is all about exquisite, shameless luxury – then here it is. Prowling in it was Katoucha, a feline African mannequin who was a supermodel long before the cult was invented. Now in her 40s and with her own successful collection, she had come out of retirement to be the show's muse and a yardstick of elegance for the mature women who form the majority of St Laurent's clientele.

With this one outfit, perfect in its simple form and in the lustrous shade of the fur against the model's dark skin, St Laurent served notice that he was far from the spent force some commentators believe.

The show that followed reinforced this explosive start. These were dateless clothes, simple yet opulent, faultlessly proportioned and breaking no new ground, yet they seemed fresh after days of high costume drama from

This outfit served notice that St Laurent was far from a spent force

the young Turks of *couture* at Givenchy, Dior and Gaultier. Here were grown-up clothes for grown-up women confident in who they are. Winter 1997 was vintage Yves, a high point to be stored in the collective memory along with his 1980 artists' homage collection, a moment to quote when the detractors gather after one of the seasons when he is not on song.

More marvels will surely be expected from his spring 1998 *couture* show next Wednesday, 40 years after his first *haute couture* collection when, as a lad of 21, he stepped into the giant shoes of Christian Dior.

That the fashion world is somehow aggrieved if St Laurent no longer generates creative sparks speaks volumes about both the designer and public attitudes to him. In the beginning, he was so young, so innovative and successful – especially once he spread his wings in his own house from 1962 onwards – that expectations of him are still high.

His influence on late 20th century fashion has been huge – he was the catalyst for putting women into trouser suits, who first used the shock value of sheerly veiled breasts for publicity purposes, who brought street style into high fashion with his *Beat* collection, who popularised ethnic clothes and who, with his partner Pierre Bergé, invented the concept of ready-to-wear.

Other designers may have had similar ideas, but Bergé's astute marketing skills ensured it was images from St Laurent's shows which reached the world's press first. So diverse and all-pervasive were his innovations that the fashion historian and writer Colin McDowell puts him at the top of the century's half-dozen most important designers, ahead of Chanel and Balenciaga, for his "completeness – intellect and creativity".

However, it must be said that St Laurent's innovations came in the early years of his career. Serious back-

ing at an early stage (from American cosmetics firm Charles of the Ritz) enabled a vast marketing and licensing operation to be put into place and the St Laurent name soon became both an industry and a treadmill.

He had always had design interests beyond fashion, particularly in theatre and ballet, and according to Financial Times journalist Alice Rawsthorn, who has written a biography of him, even in the late 1960s he was talking about breaking away from fashion. But as she also says, "he did nothing about it" – the pull of the lifestyle, if provided, and the expectations of the public, were too strong. By the mid-1970s, he was describing himself as "a prisoner of my own commercial empire".

Even then St Laurent was prey to "depression and became prone to a cycle of drug and alcohol abuse followed by periods in hospital. Such fragility made his small group of trusted advisers

ever more protective, and himself more isolated.

Small wonder, then, that his collections increasingly appeared to be reprises of his early hits, albeit tailored to the mood of the moment.

In essence, nothing has changed since and it would be impertinent to expect that it should. St Laurent is now in his 60s, in poor health and surrounded by the same small, loyal clique he has had for 30 years; their opinions and view of life have aged along with his.

Although fashion professionals may demand perpetual novelty, the client's view is very different. St Laurent's priorities have always been beautifully made clothes that would make the wearer feel wonderful, perhaps an outmoded concept in today's headline-hungry world, but right for his wealthy customers.

When he was reported last year as saying that the dramatic *couture* designs by Galliano at Dior and Alexander McQueen at Givenchy looked like circus costumes, it may have sounded like sour grapes but it was probably founded in genuine incomprehension.

St Laurent's infinitely prefers to please the client rather than the photographer – when he started at Dior, *haute couture* customers and their formal lifestyles were what mattered and publicity was peripheral. He saw how quickly lives were changing, his innovations "gave women their contemporary wardrobe", as Pierre Bergé puts it, but he never forgot the woman inside the clothes.

This is what draws women back season after season to clothes that superficially do not vary much. Lindy Woodhead worked for some years for Rive Gauche (St Laurent ready-to-wear) in London and says: "He always designs for women with real lives, not rock stars and Oscar nominees. These are 'proper' clothes – dated though that word is – which make you look dressed."

"They exude security and comfort, which mean a lot to a certain clientele. St Laurent has no antennae on youth, yet in some ways he's in tune. Very few others can make ethnic costume look wearable."

He is put at the top of the century's most important designers

The classics have the most timeless appeal, though Woodhead now finds some of the 1980s shoulderlines beyond the pale.

Sarah Manley was St Laurent's press officer for four years and says: "It's the cut and quality which are so special. I think Yves would agree that he hasn't designed anything new for decades but he doesn't need to – his key pieces were so innovative they are still the prototypes of wardrobe essentials. I bought classic tailoring or simple evening dresses and they are always easy to update with accessories."

What puts even the ready-to-wear a cut above other classic fashion is St Laurent's natural, unerring eye for colour and fabric, and it can make the *couture* – the one area that is still very much his domain – exciting. Hebe Dorsey, the late fashion editor of The International Herald Tribune, wrote in 1987: "St Laurent has said and done practically everything; all he has to do now is say it again, in his own pure, perfect hand." That hand, and the imagination behind it, are still capable of producing a collection like that of winter 1997.

Woodhead has watched him at work. "It was intriguing," she says, "because he's a physical wreck who apparently doesn't know who anyone is, but he still has an instinctive understanding of fabric and colour, draping and cut."

St Laurent may be beyond the influence of passing trends but sometimes they come to him. The recent 1970s revival has spawned St Laurent lookalikes from other respected and voguish designers. Added to his *couture* success, his star is more in the ascendant than it has been for some time. Far from a burned-out has-been, he is, insists Bergé, once again a man the fashion world is looking to.

"The influence he has had on Prada and Gucci have focused interest on him," he says. "Yves may not be so

creative now, but after 40 years what can he do? Why create peculiar new things for the sake of it?" Other designers' peculiarities have benefited St Laurent – Bergé says that over the past year sales of *haute couture* have increased by 100 per cent, "partly because of two very good collections and partly because women can't find clothes to wear from other houses".

Sales of ready-to-wear – designed by the house studio – are, he admits, flat, while menswear and the Variation diffusion line are doing well. Both, significantly, have a slightly younger image and there are signs that, in the wake of the 1970s revival, the St Laurent label is gaining a certain cachet.

The sporty menswear spin-off range *Pour Homme* has taken off among young label-chasers since the shop opened in Covent Garden last year, and the trendy magazine Dutch has just devoted 120 pages to the 30 years of YSL's achievement, with new Mario Testino pictures in a modern style showing that his ready-to-wear can be relevant to the late 1990s.

Several years ago, Bergé declared that *couture* was a dying art and, despite current success, he sees no reason to alter that view. "If anything happened to Yves, or he retired, I would close the *couture* division right away. I do not see how something so personal can be handed on and I do not think

it has worked elsewhere." The ready-to-wear would continue – as a pragmatic businessman he realises that a house which is owned by an arm of a state-controlled conglomerate, the Vendôme Group, and has a licensing trade selling hundreds of million dollars' worth of products a year needs a flagship design range. "We would have to find a young designer to help us move on but respect the spirit," he says.

While the master is still there with his sureness of vision, there are occasional glimpses of the glory days – enough to tantalise press and clients into reporting and buying. Without him, there is a risk of producing only shadows and echoes.



□ From left: long evening ensemble from this winter's haute couture collection, reminiscent of his Ballet Russe collection, in black and gold silk brocade. Next come two designs of classic St Laurent tailoring at reasonable prices from the Variation Diffusion range – cream blazer, £460, trousers, £209, navy and white striped coat, £568, all from Harvey Nichols, London SW1. Tel: 01793-710060 for other stockists.
□ Far right: another design from this winter's haute couture collection – a classic loose satin tunic with a fur hat.

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OUTDOORS

Leave the mud, abandon the house plants and head across the Atlantic. At last I have found a garden which has filled me with such enthusiasm that it has wiped out the low point of any gardener's January.

Longwood Gardens are easily accessible from Washington and New York: they are situated 30 miles west of Philadelphia on the edges of the Brandywine valley. While famous in the US, they are seriously under-represented on horticultural itineraries. I have been meaning to visit for years, but was delighted to discover that the difficult week from December 29 to January 4 is a high point for Longwood in a way that is unmatched elsewhere in the world.

On one visit you can move between two different types of garden and round off the visit with heartfelt American entertainment. The entire experience is a combination of fun and discerning taste which is still alive and well in high horticultural circles across the Atlantic, and underestimated in Britain - to our loss.

Longwood Gardens owes its range and style to the genius of Pierre du Pont, one of the kingpins of the great business family whose company is still based in nearby Delaware. Pierre du Pont was a long-time chairman of the Du Pont company and crowned his industrial achievements by saving and transforming the Longwood Gardens which remain open, as he wished, to a vast public.

In 1906, he bought the park in order to save its fine trees. They are still remarkable, from some fine limes to a magnificent avenue of flowering Paulownias.

Du Pont was one of those serious gardeners who began his love affair with plants at the age of nine. He was impressed at a young age by the sight of a large greenhouse on a main street in Philadelphia, visible to all passers-by.

He filed away this example in his mind and years later, he adorned Longwood with the magnificent conservatories which a new public visits, this time the result of his own expense and initiative. I have never seen such



Longwood's conservatories are a legacy of Pierre du Pont poinsettias lining a canal lead the eye to a Christmas tree, while (right) a Douglas Fir is dressed simply with tiny fairy lights and pots of white cyclamen hidden among its branches.

Gardening

The Christmas spirit lingers on

Robin Lane Fox finds inspiration at Longwood Gardens in Pennsylvania

exquisite plantings under glass. Christmas is a difficult time and you might expect an all-American riot of red poinsettias and imitation reindeer. The main displays have a Christmas emphasis, but the matching of plants and the staging of the exhibits is unimaginably beautiful.

I thought I had seen the showpiece in the largest house, the east conservatory, which combined some stunning trees of Mimosa with red dogwood, evergreen viburnums, Kashmir Cyp-

ress, something called Wigandia and well-placed specimen Agaves.

A masterly combination of winter greenery had been devised from the cut-leaved Geranium maderense from Madeira and Geranium palatum from the Canaries, a brilliant touch of plantsmanship which brought freshness and shine to winter leaves.

Three Christmas trees of Douglas Fir upstaged anything imagined by residents of Chelsea in London. They had been decorated with

nothing but white-flowered cyclamen in pots, artfully pinned at angles among the trees' branches. They looked enchanting, the last word in Christmas decorations for anyone who is fed up with attempts to simulate snow and icicles by spraying their tree with man-made products.

The east conservatory is only the pre-quel. House upon house of admirably chosen flowers lead off it, ranging from a garden of nothing but natural, silver leaves to a cool Mediterra-

nean house of singular beauty and a more tropical section, masterminded by the king of South American landscape designers, Burle Marx.

Time and again, I was wracking my brains and trying to put even a first name to the rivers of flowering plants in front of me. One entire corridor was vividly hung with purple-pink Christmas Cactus at eye level, a bit of a shock in the wrong company.

Either side of the passage, however, was given over to the fine leaves of the delicate Acacia leprosa which set off the colours superbly and is an inspired choice of foliage plant - it cannot even be found in the British Plantfinder.

Orchids of carefully segregated colours lit up the recesses of a house interplanted with natural ferns. Roses were in flower on New Year's day, cheering the darkest season.

My own particular prizes would go to the house heavily planted with the long sprays of a coral pink Plumbago indica that I have never seen before and to the touch of genius which combined a main planting of white poinsettias with great drifts of clear blue Coleus thyrsoides, giving an impres-

sion of bluebells among a Christmas decoration.

Anyone would be taken out of themselves by the walk through these astonishing glasshouses.

I defer to any curator who can dream up something so apt and elegant as the Longwood Mediterranean garden whose key base-planting is the jade green Salvia disco-

Leafless shrubs were brought to life with an outline of light bulbs

lor, which I recommend so often for planting in pots during summer.

I came out into a January evening, wondering how to attain reality and how to raise the funds to send the entire Longwood staff over to most of Britain's botanic gardens in order to show them how to plant a green-house which is better than a middle second class. The return to reality was eased by two American specialities: singing and lighting.

Over Christmas, the indoor garden at Longwood

is not only to be seen, it is also to be heard. The large ballroom dating from the founder's day adjoins the east conservatory and anyone who feels like cheering after seeing planting at its best would join me in enjoying that underestimated accompaniment to garden visiting, a full-scale sing-along, complete with organ accompaniment.

On a cold day, the song-sheet works wonders: "Oh the weather outside is frightful. But the fire is so delightful. And since we've no place to go, Let it snow! Let it snow!"

That number is big at Longwood in the conservatory after Christmas.

Dazed by the planting and uplifted by the singing, I emerged into a January night for the garden's final star turn.

All over the main specimen trees the gardeners had fixed the tiny fairy lights which have begun to add their delicacy to London's chunky old Christmas illuminations.

As dusk fell, huge beech trees sprang into pin-points of light. The enviable flowering Cornus trees were wreathed in red illuminations.

Du Pont's beloved orchestra of water fountains turned

gold, blue and pink in a display which out-classes the Italian Villa d'Este. Leafless shrubs were wittily brought to life with an outline of bulbs arranged like plumes of flowering lilac.

Everywhere, lights made up for the absence of flowers and turned the darkening landscape into a Christmas heaven. Orderly crowds walked through in due appreciation, accompanied by children to whom the sight really was heaven.

I remembered those dreary old prophecies of flower-power in my first years of study, who told us all to tune in, turn on and drop out. How wrong they were about the order of priorities.

Turn on the garden, not your friends, and you will understand the Christmas genius of Longwood. It returns magic to a season which is so often said to be laded and to gardens often stereotyped in their limited show of flowers.

Longwood Garden Information Service, which gives details of the programme of events, can be reached on (001) 610-388 1000 or www.longwoodgardens.org. The gardens are open daily and are located on US Route One, three miles north-east of Kennett Square, Pennsylvania.

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Beating and unbowed

In the Midi, hunting is a democratic right, says Stephen Fidler

The idea of a ban on hunting has not advanced very far in this part of the Languedoc. Raise the subject by all means and invite a pitying look, as if only the sad English could come up with the bizarre notion of creating such a fuss about a few thousand foxes.

Down here in the deep Midi, most people cannot look at a live animal without imagining it on the kitchen table. Those animals that can't be eaten are shot anyway (apart from those that are poisoned) to leave more space for the edible competition.

If you want to be really English, you can wax enthusiastically to a Frenchman from these parts about how unusual it is to hear birdsong; then watch him salivate before running to get his gun.

Judging by this neighbourhood, there must be more firearms per household in rural France than appear in *Terminator 2*, and most of the ubiquitous dun-coloured vans careering all over the roads down here carry enough weaponry in the back to arm an active unit of the SAS.

You never know, after all, when you might run across tomorrow's dinner.

Of course, the real difference between the uptight English and the freedom-loving French is that hunting is not seen as the preserve of a few inbred aristos, but a democratic

pursuit - democratic, that is, in a pre-20th century sense when only men were deemed to have adequate knowledge of world affairs to vote.

The huntin', fishin' and shootin' set comprises the butcher, bar-owner, policeman, peasant farmer and (given this is modern France) the unemployed - but never a woman. Between September and late January, hunting is the male bonding ritual of choice for most of the men of the Midi - at least those too small or old for rugby - and provides a useful protein supplement, too.

Hunting in the Languedoc has changed over the years, as has the countryside. As the mountainous areas around here have become depopulated, what was once upland meadow has given way to forest. Few rabbit and hare remain to be shot at any more, but the russet-coloured wild boar have multiplied. Roe deer and mouflon - rare wild sheep, which once only survived in Corsica - have been introduced by hunting associations and are hunted according to quotas, which are sometimes adhered to.

Local freezers are stuffed with bits of all these animals though some citizens, even in this rugged region, are squeamish about certain parts. My nine-year-old son - whose pals here have contributed recently to an entirely welcome improvement in his knowledge of the French

language - pointed out a bowl of dog food to me last week outside a neighbour's house upon which lay a couple of fleshy spheroids. "Boar's balls," he explained.

The hunters split into groups of 25 or so that jealously guard their own turf. In the late summer, fires often "break out" in the mountains, which encourages game to migrate to another group's area.

During the season, hunters usually meet before first light at the baroque, or

dispatched on the average weekend. A few years ago, one chasseur from a nearby village mistook his father for a boar and shot him. Even a weekend family walk in the mountains can turn perilous if you and your loved ones are unfortunate enough to come between the local hunters and their hapless quarry.

At night, the fire is built up and the animals killed during the day are butchered, having first been covered with deplorable powder, bathed in scalding water and stripped of their hair. This bloody ritual complete, the baroque is washed down and lots drawn for the cut meat. Some leave; others linger over pastis, wine and talk.

The conversation drifts from French to what the locals call *patois* - the *Langue d'Oc* itself - and back again. It turns from hunting to other subjects: how the recent mushroom season has been phenomenal during a wet and mild autumn. And how the behaviour of the hundreds of city types who come here to pick them from as far afield as Marseille, and leave their litter behind in vast quantities, has been as execrable as ever.

And what to do about the cities of France, where nightly bands of youths are torching cars. But the baroque is a long way from any city, and as the conversation dies, along with the fire's embers, there is not a protestor in sight.

A lot of ordinance can be

The Va

Arnie Wilson sa

TRAVEL

Honour, courage and the terrible cost

Lucia van der Post visits Isandhlwana and Rorke's Drift

On January 22, 1879, 119 years ago, in an insignificant battle, the British Army suffered one of its worst defeats in British colonial history.

At the height of its imperial power, on the windswept plain of Isandhlwana in the heart of what is now Kwa-Zulu in South Africa's Natal, 1,000 men, highly trained and well-equipped, were beaten by 20,000 Zulu warriors armed with nothing but assegais, their stabbing sticks, cow-hide shields and a few captured rifles. At the end of the day, an inauspicious day of the "dead moon" for the Zulus (at the height of the battle, it is said the sun went dark), 52 officers, 806 non-commissioned officers and men and 471 native troops lay dead.

The bare facts are enough to make the blood run cold. But go to the battlefield in the company of David Rattray, a passionate historian, eloquent orator-cum-actor, who is steeped in the geography, history and culture of this part of Zululand, listen to his tale of that battle, sit beneath the sphinx-like hill that stands guard at Isandhlwana and the landscape is once again filled with the troops of the 24th Foot and thousands of silent, waiting Zulu Impis.

He brings out the drama, the pathos, the folly and the courage. As we sit looking out across the plain he begins to weave the threads of the story. The British, in expansive mode, want to crush the powerful Zulu nation. They provoke a war. They think it will be a quick – the might of the British Imperial Army faced with nothing but savages. On the way to Ulundi, King Cetshwayo's capital, the 24th Foot, composed mainly of tough Welshmen, stop to camp on the plain of Isandhlwana on the night of January 21, 1879. Lord Chelmsford, commander of the British forces, makes some

crucial mistakes – he divides his forces in enemy territory and he fails to take the Boers' advice to *laager* the troops.

"Imagine," says Rattray, waving his stick. "It is 11am on January 22. There is not a Zulu in sight. Lieutenant Charles Raw rides out with one of the scouting parties to see what is happening. Suddenly, on the edge of a ravine, his horse starts and checks. He looks down...there, closely packed and sitting in utter silence...as far as the eye can see, sit more than 20,000 Zulus warriors. Highly disciplined, ordered rank by rank, their shields glittering in the sunshine. It is a sight to chill the blood."

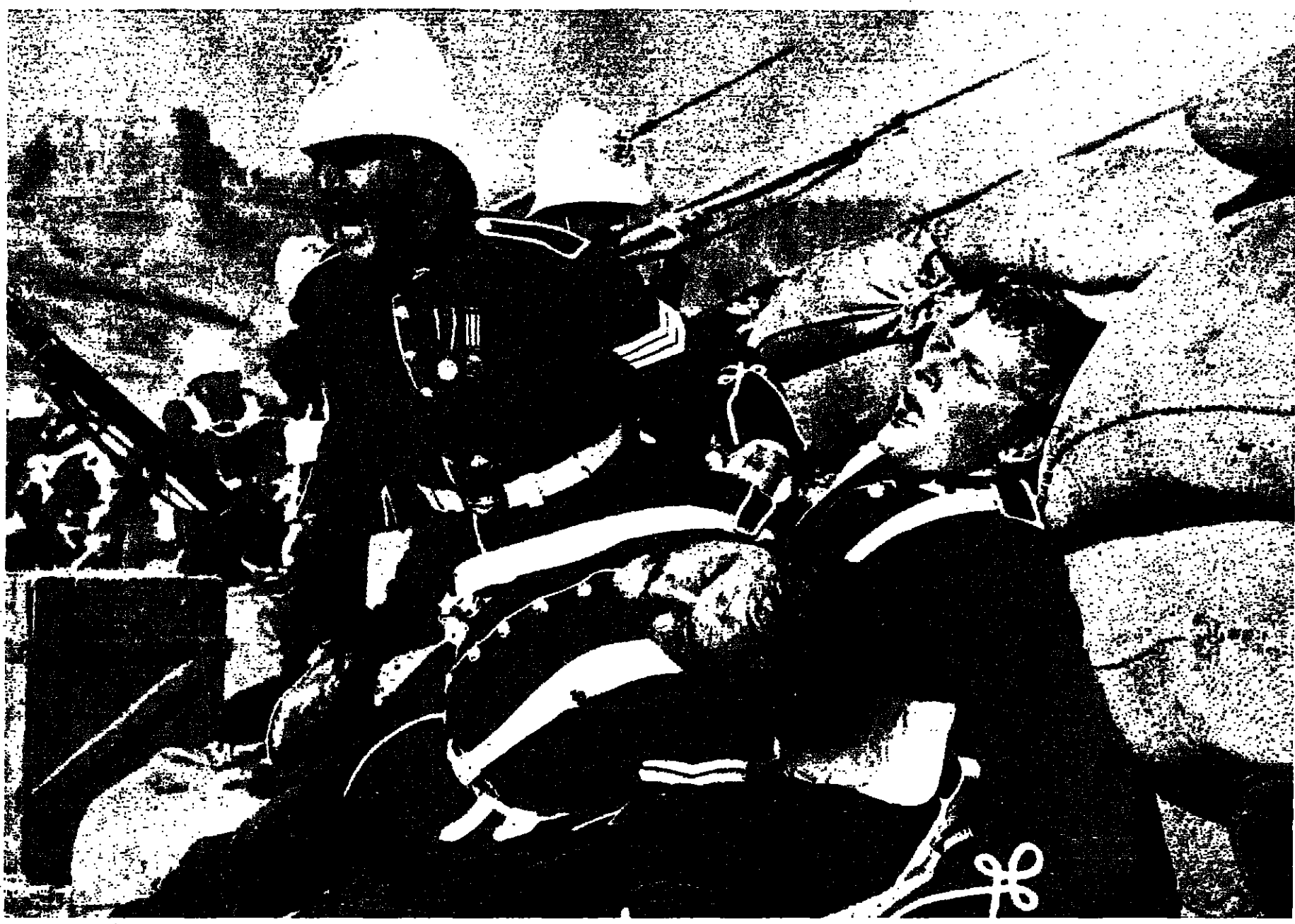
A few shots are fired into the silent ranks of Zulu Impis and the disaster unfolds. The famous "horns of the buffalo" military tactic is precisely executed. "In a solid crescent, 3½ miles wide, the Zulus appeared on the rim of the plateau as if they were one man. They cascaded down over the plain in wave after wave. Their numbers seemed endless."

The ill-organised, ill-prepared troops scrambled for their ammunition pouches. Scores of Zulus dropped at each volley of fire but there were always more. The ammunition ran out, the boxes could not be opened fast enough.

Almost to a man six full companies of the 24th Regiment of Foot died where they stood, shot or hacked to pieces, little drummer boys of 12 hanged and disembowelled on the backs of wagons.

We see the cave where the last Welshman held out, shooting until his ammunition ran out and the Impis came to finish him off. Some of the Natal Kaffir troops deserted while there was still time, but not a single Imperial officer left the field while a man for whom he was responsible was still alive.

It is not just the details of



From the film 'Zulu', set in January 1879 at Rorke's Drift, Natal. For the Zulus, it was the day of the 'dead moon'

the battle that bring the story alive – it is the smaller stories, those of the Welshmen who gave their lives, of privates Owen Ellis and George Morris, of Colonel Anthony Durnford with his withered arm, of Charles Henry Harford, "the beetle collector", bottling a rare species as the battle starts.

It was the beginning of the end of the Zulu nation

Then there are the stories of the Zulus, of Mkosana Ka Mvundlana, of the Biyela clan, the great Zulu hero of the day. "This," says Rattray, "was his day. Over 6ft tall and in his 70s, he had run barefoot with his men all the way from Ulundi. Though barefoot, the Zulus ran so fast you had to think of them as cavalry. When the Zulus first felt the impact of the bullets and fell back in confusion Mkosana gave the great Zulu war cry 'Usuthu' and lead them from the front until he himself

was gunned down." Another Zulu, whose father had killed three redcoats in the battle, told Rattray that the Zulus recognised the courage of their enemy: "Like lions, they fought. Like stones they fell."

King Cetshwayo heard the story of what happened at Isandhlwana as the wall of grief and sorrow for the dead and wounded echoed from village to village throughout Zululand until it reached him in Ulundi. Cetshwayo knew that though they had won the day it was the beginning of the end for the Zulu nation. "It is," he said, "as if we have had an assegai thrust into our belly."

From the dusty landscape of Isandhlwana, Rattray picks up the story at nearby Rorke's Drift, just across the Buffalo River. That same afternoon of January 22, at the day, "This," says Rattray, "was his day. Over 6ft tall and in his 70s, he had run barefoot with his men all the way from Ulundi. Though barefoot, the Zulus ran so fast you had to think of them as cavalry. When the Zulus first felt the impact of the bullets and fell back in confusion Mkosana gave the great Zulu war cry 'Usuthu' and lead them from the front until he himself

was gunned down." Another Zulu, whose father had killed three redcoats in the battle, told Rattray that the Zulus recognised the courage of their enemy: "Like lions, they fought. Like stones they fell."

mission station (it was largely destroyed by fire during the battle) and look up to where one of the lookouts saw the Zulu Impis coming over the top of the Oskaberg mountains "black as hell and thick as grass" you can feel the chill and wonder at the courage.

"It was a desperate and apparently hopeless last stand. There is no doubt that every man there thought he was going to die...yet not one of them cut and ran, and all but 17 survived. Eleven VC's were won that day, more than on any other in British military history."

Looking the Buffalo River, hire a car and drive through the hills of Natal so eloquently described in Alan Paton's 'Cry The Beloved Country'. Stay in one of David Rattray's lodges and go on one of his tours.

Worldwide Journeys & Expeditions, 8 Comeragh Road, London W14 9 HP. Tel: 0171-381 8638, fax 0171-331 0836 can organise three- to five-day stays at Fugitive's Drift at about £90 a night, per person full board. Escorted tours are about £40 per person. Classic reading is 'The Washing of the Spears' by Donald R. Morris (Sphere).

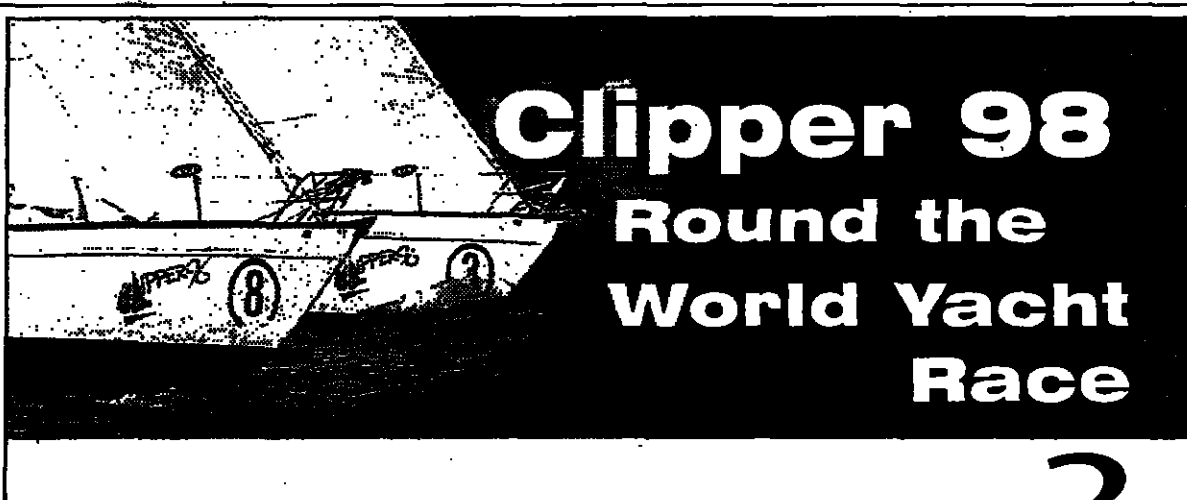
This is not just a tour for battlefield buffs, this is a tour for all who recognise the power of stories, who see history as a vital way of connecting our past with our future.

"It is impossible," says Rattray, "to sit here on this plain of Isandhlwana and feel any malice towards any of the participants. Sixteen Welsh Williams' were killed – those good men of the valleys, forced by poverty to take the Queen's shilling, who knew nothing of the nobility and courage of this nation they were charged with destroying. Some 2,000

to 3,000 Zulus died in a war they never wanted, on a day deemed inauspicious."

"Courage is the thing," said Churchill – and I am with him. "Why us?" asks the frightened squaddie in the film Zulu, which powerfully tells the story of Rorke's Drift. "Because we're here, laddie," says the sergeant. "Just us and nobody else." Standing there, looking at the little mission station, you wonder at the pity and the folly and the nobility of it all.

To get to David Rattray's lodge, Fugitive's Drift, over-



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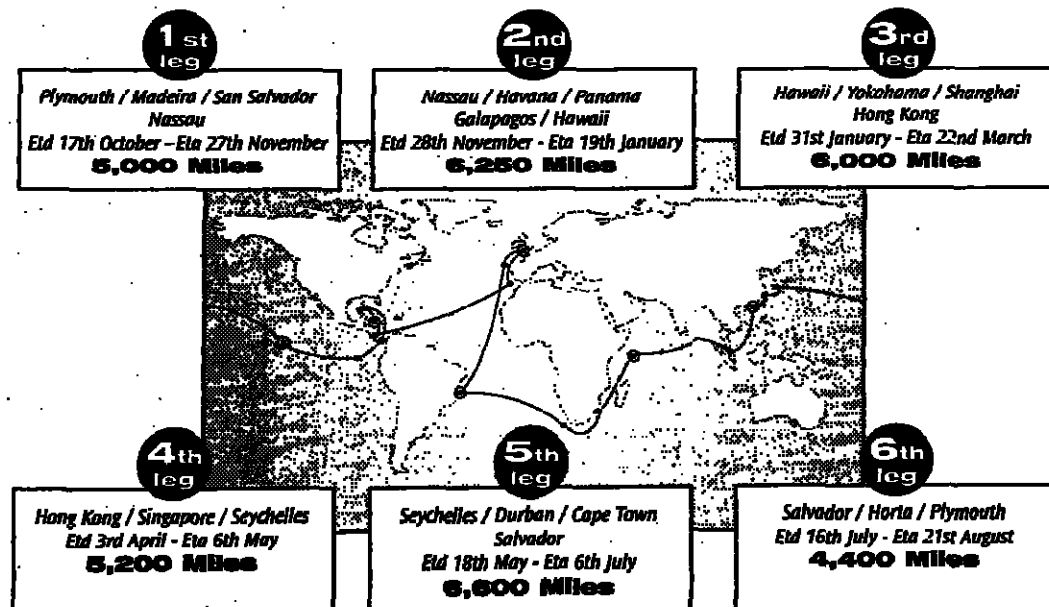
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Skiing

The Valais opens up

Arnie Wilson samples Swiss chic in Crans-Montana

If the six passengers queuing patiently on the steps of Crossair's "Jumbo" Avro RJ aircraft in a London cloud-burst had known why they were being drenched, they might have been angry.

The cause of the delay was Jamie Nelson's surprise birthday cake.

True, it was his 41st. Bruce, his father, and his father's friend Lorna, had smuggled it on board. Lorna was agitated on two counts: keeping it secret until they reached Verbier and keeping it in one piece.

"It's so fragile and very delicate," she pleaded with the patient Swiss stewardess. Suitably stowed, the cake and its superintendents no longer blocking the aisle, the six bedraggled passengers finally boarded Crossair's new Saturday service direct to Stion – and the Valais ski country.

Within 70 minutes, nearly 100 skiers were enjoying a spectacular descent into the heart of the Swiss Alps, soaring past the snow-clad peaks of Valais before dipping below the snow-line into the terraced vineyards, where most of Switzerland's wine is produced.

Markus Kramer, the captain, and his crew had rehearsed the flight carefully. Stion is not the easiest airport to land at, and this is why Crossair is using the Jumbo. It has a steep "glide" angle of descent: 5 degrees, instead of the normal 3 degrees.

A glimpse through the windows revealed Stion's famous "twin" episcopal fortresses perched on floodlit rocky peaks.

More than 100 miles east of Geneva, Stion brings several important ski areas much closer to hand: Zermatt, Leysin and Villars are 90 minutes away, the Portes du Soleil 80 minutes, Saas Fee 70 minutes, Verbier an hour and Crans Montana 30 minutes.

Crans-Montana is one – or rather two – of those places, such as Fimma Laax, that you do not hear much about, although its skiing credentials are impressive and its social and shopping cachet every bit as up-market as its neighbour, Gstaad.

A candidate for the 2006 Winter Olympics, the resort is certainly well served: apart from the new Crossair flight from London, there is a TGV service, and its blue-and-white Italian equivalent, the Pendolino, brings skiers from Milan. A new funicular brings skiers to Montana from Stion.

"We're becoming an international city," said Walter Loser, the resort's tourist director. "And, oh la la, we're going to get some snow my dear." Unfortunately, this proved to be a touch optimistic.

It rained – but not for nothing is Crans-Montana known as one of the sunniest resorts in the Alps – and it brightened up, revealing a remarkable view from my window: at the Ambassador Hotel.

A wide sweep of mountain peaks lining the upper Rhône Valley was visible all the way to Brig and beyond to the Furka Pass, including the Dent-Blanche, Weisshorn and a tantalising glimpse of just the top of the Matterhorn pyramid. From the slopes, there is a commanding view of Mont Blanc.

It was the slopes, of course, that I really wanted to see, and the sharp change in the weather gave Christophe Egli, my young guide, the chance to give me a lightning tour of the resort.

Having spent the previous day barely able to see two turns ahead of me, I was impressed – when finally granted a clear day – with how the higher reaches, all the way up to the Plaine Morte Glacier, seem to rise and rise, giving the area a healthy 5,000ft vertical drop and 120 miles of pistes.

There is a wealth of above-the-treeline skiing around and beyond the three focal points of Bella Lini, Les Violettes and Petit Bonvin, which gird the mountain at around the 7,300ft to 8,300ft mark. This is where most of the lift system peters out, with the exception of the cable-car up to Plaine Morte at 9,840ft. From the glacier, a single, steep, exhilarating piste (with excellent off-piste variants) comes storming down a steep valley to link

bowed

says Stephen Fidler

update...update

Abstract—The purpose of this study was to determine if there were differences in the prevalence of musculoskeletal disorders between two groups of nurses working in different departments of a hospital. The sample consisted of 100 nurses from the intensive care unit (ICU) and 100 nurses from the medical-surgical department. Data were collected by means of a self-administered questionnaire. The results showed that the prevalence of musculoskeletal disorders was higher among ICU nurses than among medical-surgical nurses. The most prevalent disorder was low back pain, followed by neck pain and shoulder pain. The findings suggest that interventions aimed at reducing the risk of musculoskeletal disorders should be targeted towards ICU nurses.

A WORLD OF ELEGANT RESORTS

Weekend ET

The real Hawaii is just up the road

Antony Thorncroft avoids the obvious to find an island rediscovering its old traditions and customs

"Never take a pig over the Pali - unless it is wrapped in tea leaves."

This sensible advice, the most powerful of Hawaiian superstitions, is ignored at their peril by the inhabitants of Oahu, the island which contains Honolulu, Waikiki beach, and most of the inhabitants of the 50th United States.

The Pali is one of the few highways that straddle Oahu, linking Honolulu and the dry south, where virtually everyone lives, to the wet and wild north. In the past it was a tortuous journey over the mountains and not taken lightly, certainly not with a pig, unless it was bedded in tea leaves and ready to eat.

The attraction of Oahu is that at one level it fulfils all your bland expectations of Hawaii, being little more than a backdrop for Waikiki beach, while at another, it opens up the mysteries of a past which gets stranger by the year.

Unless you are a confirmed sun-dried tomato, Waikiki, the holiday extension of the Hawaiian capital of Honolulu, is a one-day experience. Here crammed bodies lie comatose in a friendly sun, cooled by a sea breeze, while creamed hunkers whoop through the surf that roars in on challenging, but controllable, breakers. Behind are the luxury hotels; the designer shops; all the comforting ease of the US.

But even Waikiki has an edge. Crowded yes, but not obsessively so, since visitor numbers to Hawaii are down. American visitors, perhaps, but the majority of tourists are Japanese, many on honeymoon. Tacky, no, the beach and hinterland are almost obsessively clean and safe, and given over entirely to shopping rather than to more louché seaside pleasures like drinking, eating and frivolous entertainment. It is Bond Street-on-Sea, with the designer shops recording their highest grosses per square yard in the world.

There is something quaint about seeing a posse of Japanese brides in white tulle posing for their wedding photos in the foyer of a faceless hotel, but it quickly becomes time to dig deeper. The Waikiki face of Oahu is not worth a journey half way around the world. Fortunately, anyone prepared to escape the suburban sprawl is in for the shock of the old.

Drive around the east coast and the atmosphere quickly changes - from friendly waves to the 20 ft breakers of Sunset Beach, which make Hawaii the most desirable spot in the world for professional surfers. Suddenly, annual rainfall jumps from 20 to 300 inches in a year. The vegetation becomes lush with banana plantations, and retirement bungalows make way for shacks that seem to grow out of the earth. The beaches are empty and an older Hawaii holds sway.

This is when Hawaiian history starts to take over. It is conveniently short. Until around 1500 years ago the islands were uninhabited. Then the Polynesians arrived and established one of the most ritualistic of taboo systems; women, for example, were only permitted to eat two of the 80 varieties of banana grown on the island.

As compensation, men were obliged to do all the cooking, using different utensils for men and women. Break a taboo and you were slaughtered.

Then in 1781 Captain James Cook stumbled upon Hawaii and within two decades, armed with two borrowed cannons, a tribal chieftain from the big island of Hawaii had conquered the chain. The Hawaiian monarchy lasted a century before being ousted by the Americans, but Honolulu remains the only US city to retain a royal palace, now a threadbare museum.

After years in which Hawaiians stressed their American-ness there is now an obsession with their past. Most of it is tourist pastiche - the leis, the orchid garlands that greet visitors off the aircraft; the inescapable hula dancing; the "leasts" of barbecued pig on the beach; all the phoney ethnicity of "traditional Hawaiian evenings".

But although much is false - the ubiquitous ukulele was imported by Portuguese plantation workers; grass skirts are a modern invention - there is an unexpected foreignness about Hawaii; few white faces, very few pure Hawaiians, but a great mix from the Pacific rim. Honolulu's Chinatown has a seaport loucheness; after dark there is even an air of menace.

Coming across the "court", a procession of Hawaiians dressed as their 18th century ancestors, walking across the beach, is strangely moving. Traditional Hawaiian music flourishes; the language is being rediscovered; the sites of ancient sacrifice are being excavated. Poi, the basic food of Hawaii, made from the taro plant and tasting like tapioca chewing gum, is increasingly available. The Polynesian Cultural Centre in the north of the island is as serious as it is superficial; the local artefacts in the Bishop Museum greatly excite anthropologists.

The canker in paradise, which led to the extermination by disease of most Hawaiians in the 19th century, carried on to recent times. The most moving experience on Oahu is a visit to Pearl Harbor, to take the free tour out to the memorial built over the wreck of the USS Arizona, sent to the bottom within minutes by Japanese bombers in December 1941, with the loss of almost 1,200 sailors, average age 19.

The ship is visible just beneath the surface of the water. Oil still leaks from it, polluting the calm waters. There is a sad silence from the tourists as they spend their 15 minutes on the simple floating deck, a shrine to the dead. It is naturally a popular excursion and, unless you arrive soon after 7.30 am, you might have to wait up to an hour in the visitor centre.

Pearl Harbor is a sobering antidote to the beach environment, less than 10 miles from one of the most popular beaches in the world. It is even weirder if you run into a party of hunters, crashing through

the mountains, among the imported plants and birds which have taken humbly to this lush environment, finally emerging on to a crest, with the whole of the north of Oahu spread below.

The plants were introduced by the Polynesians - such as the koa tree, used for the surfboards of the chiefs; the olona, the strongest natural fibre in the world, which built the huts; and the kukui nut, which produced the oil used for lighting and tattooing.

It is a weird experience to be back to a stone-age environment, less than 10 miles from one of the most popular beaches in the world. It is even weirder if you run into a party of hunters, crashing through

the dense undergrowth, chasing with knives another import, the Russian Razorback pig.

Oahu in the past was probably never a happy place - ruled first by ritual, then by missionaries and plantation owners. Now, dancing to the demands of tourists, it is probably enjoying its golden age. But to make the most of a very varied island, tourists must leave the beaches for the jungles, the south for the north, and learn to avoid the kitsch Hawaiian culture for the more authentic recreations.

Such journeying is made easy by an excellent and cheap bus service. It also helps to have a luxury hotel as a base. The Mandarin group has just invested \$75m in renovating the Kahala Mandarin Oriental, located on the other side of Diamond Head, well away from Waikiki. It has a casual elegance but keeps its links with nature by having dolphins in a pool, and a flock of roosting birds. It provides an antidote to the crush of Waikiki, the foreignness of Chinatown, the formality of Honolulu, and the wildness of the interior.



■ *North America Travel* (0171-938 5737) offers seven nights on Oahu, including return flights with British Airways to Los Angeles and a night at the Ritz-Carlton in Pasadena. Then on to Honolulu, for a transfer to the Kahala Mandarin Oriental. Cost, on a room-only basis and two adults sharing, is £1,227.

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Jazz in the St Lucia sunshine

James Henderson is already looking forward to the festival

It was a scene of utter contentment. A man lying in the sun, verging on the edge of slumber; the strains of hypnotic jazz music rolling out from a stage and filling the warm tropical air. A blossom from a white cedar tree spiralled gently down, hit him on the chin and lay still on his chest. He opened his eyes, realised, and closed them again.

It was the final afternoon of last year's Jazz Festival and St Lucian Luther Francois was running through his specially prepared medley of Caribbean jazz.

Mid-afternoon, the whole thing had an air of a village fête, of happy abandon in the sun, with families on the fringes on picnic rugs, children chasing around playing tag, a few lads in the beer tent - and of course a certain vague attention on the stage activity.

St Lucia's Jazz Festival has now become a fixture on the Caribbean calendar. Like a number of festivals around the area, it was born with sanguine rationale: to increase tourism, the island's most important foreign exchange earner.

Staged in May, it is supposed to maintain visitor arrivals beyond the winter season, which traditionally ends in April.

The festival does not break even, but it is reckoned to have been a success - in 1997 it increased visitors by around 15,000. By the by, the profile of St Lucia should be raised on the international stage. Just look what happened to Montreux.

So much for vulgar theory. For the visitor, the festival adds an extra focus to a Caribbean holiday. The weather is not that different in May and, with the exception of a few concerts, it is not too crowded so you can simply pick and choose from the range of artists.

There are certainly some big names from the world of jazz, but the festival is by no means aimed at the purist. Really it is given as broad an appeal as possible.

My first evening was one for the hard-core devotees, though: Christian McBride, master bassist, followed by Pharoah Sanders, who ran his saxophone through mesmerising scales. The audience, the international visitors and the St Lucian great and good (who understandably have developed an interest in jazz, what with so many greats turning up on the island each year) gasped in reverence and awe.

The policemen, who were there to keep order, could barely stop themselves from dancing.

The tropical island setting is half the advantage, of course, and the St Lucians use it well. Most of the concerts are staged in the evening, leaving you free during the day to pursue other essential Caribbean activities such as the watersports and lying in the sun.

There is, however, a sort of fringe festival, with local and regional bands playing jazz in the square at lunchtime in the capital Castries, giving something to the St Lucians themselves.

The Caribbean night is

ideal for an open air concert: it uses the best of the evening cool and the huge backdrop of the black night sky.

Next night, I headed off to see Ronny Jordan, on a small stage set under the aerial roots of banyan trees. There was a robust, raw air to the performance; hard-nodding heads and a jangle of metallic tweaks that kicked and merged into a smooth, calm rhythm.

A St Lucian friend arrived and sat next to me. Most St Lucians are slightly boggled by the fact that the organisation seems to work so well.

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Mustique - a memorial to Messel

Giles MacDonogh finds a string of tasteful villas - and he hopes they stay that way

So much has happened in the recent history of Mustique that one might be forgiven for thinking the story is 300 years old, and not a mere 80. It all goes back to a vision made flesh by the one-time owner of the island, Colin Tennant, now Lord Glenconner, who decided to fill his largely uninhabited, waterless island in the Grenadines with villas, and have his sort of people inhabit them.

The first in was Lady Hon. our Swedgar, nee Guinness, sometime Channon, who built first one then another villa at the cliffs at the north end of the island. She employed a friend of hers, Oliver Messel, to make the design for Philblistown. Messel had retired from the theatre after an accident and gone to live in a house of his own design on Barbados. Messel was a brilliant set

designer, but no architect. Fortunately, Tennant had brought in the Swede Arne Hasselquist to lay out the roads and airport, and he was able to interpret Messel's working drawings. A partnership grew between the two men which survived about 15 houses until Messel's death in 1972.

Hasselquist still lives part of the year on the island, and now that Glenconner has gone to live low in his restaurant on Saint Lucia, he is the Mustiquian with the longest view. He described working with Messel. If Hasselquist wanted something changed, Messel would burst into tears. He told Messel that the splendid

columns which were his trademark would not survive the climate, but Messel wouldn't listen. Then some prompter got blown away in a hurricane which hit one of his houses on Barbados. Hasselquist was triumphant.

Messel had a brilliant eye for detail. At Clonsilla, Lady Honour's second house - possibly the loveliest - Messel did everything, including the mirrors and lamp brackets. He altered designs in construction and was ruthless with the owners of his houses. "No darling, not like that," he would say, and then rearrange the furniture.

The Channons were already established on Mustique when Tennant had the brilliant idea of giving a piece of the south end of the island to Princess Margaret as a wedding present on her marriage to Anthony Armstrong-Jones. It so happened that Messel was Armstrong-Jones's uncle, so Les Jolles Eaux was designed by him, too. As the piece was rather big, Princess Margaret brought in her cousin, the photographer Lord Lichfield, to take half of it off her hands.

Lichfield employed Hasselquist to build Obsidian. Hasselquist designed another of the island's best houses in an informal English colonial style which was above all that recommended by Tennant.

The process of colonisation by British High Society had now begun, but it was doomed by the oil crisis of the early 1970s. Bloodstock had to be brought in and the American, Italian, Venezuelan and Russian millionaires were not always prepared to accept Tennant's *diktat*, architectural or otherwise.

Nor were they always happy with the simple, cottage designs of Messel: Queen Anne dolls' houses with depressed arches framing a sea view, thin columns and pierced baroque arches, and a sage counterpoint of interior and exterior spaces.

Tennant's Great House was sold to a Russian who promptly demolished it. Now came post-Messel Mustique and the architecture went wild. New money wanted something imposing. There was a spate of oriental designs with a touch of Hollywood. The oddest was Discovery - where Shogun meets Errol Flynn. Indeed, you half expect the latter to swing down from the rafters during dinner. The master bedroom is an exposed collection of rocks with a pool, so that you might imagine some mandarin of legend, fishing for carp from his cot.

Historicism went wild or eclectic. Oceanus looks like a plush restaurant on the Costa Brava complete with medieval vaults and white-

washed walls. Two of England's most famous pop-singers arrived and immediately plumped for some of the ripest and most outrageous of Hasselquist's fantasies.

Tennant was already packing his bags. His dream had been shattered. The Mustique Company took over, headed by Brian Alexander, a former guards officer and the dapper son of the wartime field marshal. Alexander was able to lend the place the right tone even after the visionary had fled.

has been limited to 110. The most extreme figure touted was 5,000.

Messel is still the best of Mustique, and the reason why it is not just a party-island frequented by the very rich. Visiting the villas, you notice how the Messel designs impose an intimacy which makes them a home, even when they are only inhabited for six weeks of the year. With Clonsilla, Blue Waters, Samabala and Sea Star, Messel established a canon, a holiday villa in the best possible taste. Let's hope, in post-colonial Mustique, their future is secure.

■ *Many of Mustique's villas may be rented from the Mustique Company. Tel: 001 809 458 1621. Fax 001 809 455 4565. Visitors may also stay at Messel's Cotton House Hotel; tel 809 456 4777.*

■ *Giles MacDonogh flew British West Indian Airlines to Barbados.*

SPORT

Tennis

Youth turns up the heat in Australia

John Barrett feels privileged to watch history in the making

Every now and then you are privileged to glimpse the future.

Bjorn Borg, a slight, round-shouldered figure at the age of 17, beating Buster Mottram in the junior final at Wimbledon from 2-5 down in the final set; 16-year-old Chris Evert carving her way through to the semi-finals of the 1971 US Open with metronomic precision and pushing Billie Jean King to the limit; John McEnroe, aged 18, winning eight matches at Wimbledon in 1977 as he roars through to the semi-finals; Martina Navratilova at the age of 17 serving and volleying like a veteran as she leads the Czech team to victory in the 21-and-under BP Cup at Torquay; Ken Rosewall, in 1953, playing precision tennis to beat America's Vic Seixas to win the French Championships at the age of 18; Steffi Graf, all arms and legs at the age of 14, taking Jo Durie to 9-7 in the final set in the fourth round at Wimbledon; Monica Seles, a frail 15-year-old in 1989, scaring the pants off the same Graf, by now the defending champion, in a nail-biting semi-final at the French Open; Martina Hingis, aged 12, winning the junior crown in Paris against an embarrassed Belgian girl five years her senior.

They are rare, these moments of revelation. And precious. To have witnessed two within the last week has been quite extraordinary. The first came unexpectedly in Adelaide. I had arrived at Memorial Drive last Friday to see how Andre Agassi was faring in his attempt to re-establish himself after falling out of the top 100 last year for the first time since he turned professional in 1988.

It was hot and humid on quarter-finals day at the Australian Hard Court Championships. Agassi had

asked for a wild card into the draw because he needed the match practice. He was due to play Brett Steven of New Zealand, who had put out the French Open champion Gustavo Kuerten in the second round.

Around the club there was a good deal of chat about the progress of a local lad who had been given the other wild card after winning a domestic event the previous week. In fact, at 16 years and 10 months, Lleyton Hewitt had already become a minor celebrity by eliminating two fellow Aussies - first Scott Draper and then Mark Woodforde - who has been something of a mentor because they both come from Adelaide.

Hewitt's quarter-final opponent was a good young American called Vince Spadea. The winner would play either Agassi or Steven. Agassi's win in three sets on a scorching afternoon was convincing. The New Zealander had got off to a golden start and won the opening set 6-1. Agassi, looking much leaner and fitter than he had done last year, found his range after recovering from 0-40 in the first game of the second set and allowed Steven only two more games.

"I'm getting better with every match," said the 27-year-old American. No one would have disagreed. In a night match interrupted by showers, Hewitt had beaten Spadea 6-1 in the final set to set up a meeting against his hero. "It's true. I do have posters of him at home. I can't believe I shall be on the same court as him. It's like a dream come true," he said.

For Agassi, their match was more of a nightmare. Not that the former world No 1 played badly in losing 7-6, 7-6. It was simply that Hewitt was inspired. Like Agassi, he takes the ball



Triumphant newcomers: Lleyton Hewitt (left), who beat his hero Andre Agassi, and Venus Williams, who predicted her victory over Martina Hingis



early, single-handed on the forehand, double-handed on the backhand, and hits it either flat and fast or with dipping topspin.

Like his hero, he is quick about the court. Standing only 5ft 10in, he has to be. What was so impressive was the way Hewitt dealt with the important points. Five times Agassi had break opportunities. Three times Hewitt hit winning second serves, two of them aces. On the other two, he won the rallies. There was a fearless intensity about Hewitt's play that was remarkable. The telling lob he hit to turn the second tie-break his way was the work of an instinctive match player.

Afterwards, Agassi admitted he had underestimated his opponent. "I kept thinking he would go away," he said. "I should have given him more heat on those key points." But that would have not been easy, as Jason Stoltenberg discovered in the final. Despite leading 4-2

in the third set tie-break, he was outplayed as Hewitt took the next five points, among them another telling lob, for the title.

"I wasn't nervous at all," said Hewitt. "I suppose I had nothing to lose and everything to gain." What young Hewitt has gained is a new record. Never before has a player as young as this won the first tournament he has entered on the ATP Tour.

The only other senior event he has played is last year's Australian Open, where he was a qualifier and lost in the first round. Only two younger men have ever won tournaments on the Tour. Michael Chang was 16.7 when he won in San Francisco in 1988, and Aaron Krickstein was 16.2 when he took the Tel Aviv title in 1983.

It is a measure of Hewitt's ability that he should have been able to bounce back from such a physically and psychologically draining week to beat world No 4

Jonas Bjorkman in the first round of this week's tournament in Sydney. He even served for the match in the second round against fellow Australian Michael Tabbott.

It was probably no bad thing that Hewitt lost. He will need all the time avail-

Agassi had asked for a wild card because he needed the practice

able to prepare properly for the Australian Open, which begins in Melbourne next Monday.

The second moment of revelation followed fast on the heels of the first. Venus Williams, the black teenage American who had reached the final of the US Open unseeded last September,

had arrived in Sydney last week in good time to acclimatise.

At a press conference held on the eve of the tournament, Williams, ranked 21, spoke of her conviction that she would soon overtake fellow teenager Martina Hingis as the world No 1. Eyebrows were raised. Confidence is an admirable quality, over-confidence less attractive.

Poignantly, the Sydney draw had thrown these two together in the second round, provided that Williams could beat Ruxandra Dragomir of Romania in the first. As one of the top four seeds, defending champion Hingis had a bye. When Dragomir retired with a thigh injury after losing the first set 6-4, Williams bemoaned the fact that she was losing the opportunity for match practice.

Practice was a commodity that Hingis lacked. She had arrived late from Europe, presumably confident that she would slip back into the

form that had won her three of the four Grand Slam crowns in 1997. So dominant was she last year that she lost only five times, despite a five-week gap following a riding accident that had required arthroscopic surgery on an injured knee.

As Hingis should have remembered, summer afternoons in Sydney and Melbourne can be brutally hot. With so little time to acclimatise, Hingis was unlucky that the day of her match against Williams was one of those humid scorches where every deep breath seems to burn the lungs.

The fact that Williams had not taken more than six games off the world No 1 in three previous meetings - the last the US Open final - did not dismay the American. "I made a lot of mistakes in that match," she said. "I was basically out of control and she took advantage of me playing so badly."

It was true. Williams had sprayed far too many errors

from the back of the court that day, going for too much, too soon. Clearly, she had learned her lesson. In a magnificent battle, in which both women suffered dehydration and the onset of cramp, Williams beat Hingis 3-6, 6-4, 7-5.

Her power from the baseline was simply too much for an opponent who looked a trifle slower than usual. Williams served much better than she had done in New York and volleyed well, too. This was a magnificent example of positive thinking overcoming the skill and guile of the greatest match player for her age the game has seen.

As the season unfolds, the rivalry that is developing between Hingis and the Williams family - Venus's younger sister Serena beat both Mirjana Lucic and Lindsay Davenport this week - is likely to produce the best tennis since the days of Evert and Navratilova. It will be a privilege to witness it.

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with Gerald Cadogan, Weekend FT Correspondent and Archaeologist
Tuesday, April 21 to Thursday, April 30 1998



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Football

Think, talk and wear Posh

Antony Thornicroft on a team chairman trying to win over the whole town's loyalty

Tuesday was blues day for the Posh: Peterborough United, knocked out of the FA Cup by Walsall, and losing out on one of those unexpected windfalls that make life in the lower divisions almost worth living - a fourth round away game at Manchester United.

There was a small consolation for Peter Bolzot, chairman and paymaster of the Posh, who is using some of the fortune he made from bringing his Pizza Express chain to market to prop up his home-town team. The attendance of nearly 13,000 was almost three times the average crowd of a year ago. But the Posh have missed out on the big, six-figure, and counting, money.

"I have told manager Barry Fry that I can afford to lose £1m a year for a few years to come, but I don't really want to," says Bolzot. His hope is that he can somehow balance the books and hand over the Posh to the good folk of Peterborough.

Despite his undoubted business acumen, Bolzot nurtures a Boy's Own Paper approach to football. He was born, bred and schooled in Peterborough, and was an obvious choice when the youth team needed some cash.

He was so impressed by the clean-cut, nicely spoken lads that last January he bought the whole outfit, investing almost £2m in paying off Peterborough's debts and acquiring 97 per cent of the shares.

Now he is trying to reform

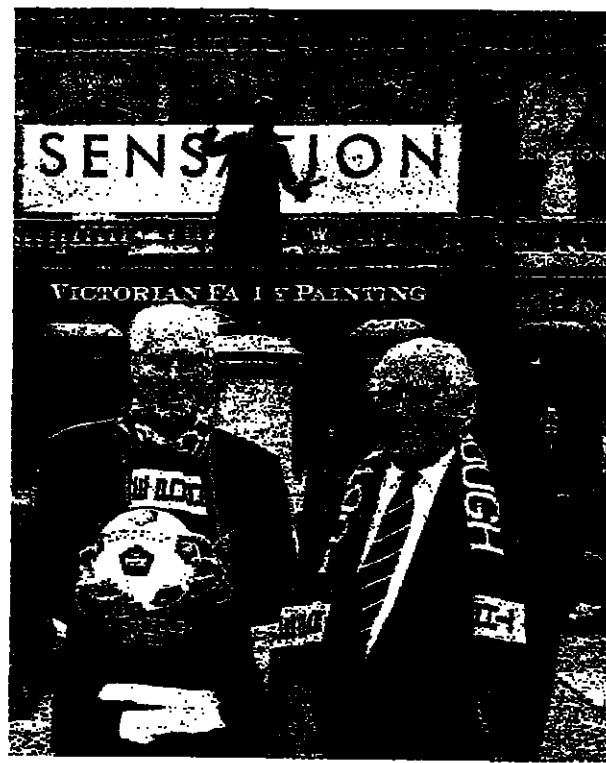
Peterborough in his own image. Bolzot remembers going to matches in 1947, when the police hand entered the crowd before the match and supporters swathed themselves in club colours, waved their rattles and enjoying nothing more after the game than a good-natured josh with fans of the opposing team.

Rather remarkably he wants to instill this spirit at Peterborough. He is just back from Green Bay on Lake Michigan to see how an American football team like the Packers can completely win over the loyalty of a small community, and he won't be happy until the people of Peterborough think, talk, and wear the Posh. He is planning a new strip, a new club mascot and much smarter merchandise.

Under tough manager Barry Fry, the players are encouraged to train hard, play fair and become role models for the town. More to the point, Fry has been told he need not sell off his best young players, the inevitable, if self-defeating, financial fallback of most Division Three clubs.

Of course Bolzot could be on a dispiriting learning curve. He is already adept at blaming the ref for some of Peterborough's latest reverses, and a recent attempt to draw fellow football club chairman into his life-enhancing vision proved a cruel disappointment.

Before giving his heart, and wallet, to Peterborough, Bolzot was best known as a preserver of Venice from the flood (he has raised over



Mixing football with museums: Peter Bolzot (right) with Sir Philip Dawson, president of the Royal Academy

£500,000 for the city by placing a surcharge on his Venetian pizza); as a patron of jazz; and as a friend of the arts, notably the Royal Academy.

The RA was having problems finding a sponsor for its latest exhibition, a collection of art treasures from England's regional museums. Bolzot thought it was an excellent idea to link local museums with local football clubs, and wrote to the 91 chairmen in the Football League suggesting they

should collectively sponsor the show. He failed to get a result, and has done the decent thing, finding over £100,000 of his own money to nail the name of Peterborough United as sponsor to "Art Treasures of England".

When it opens next week manager Fry and the players will be mingling with the art crowd, plus those supporters lured along by a cut-price offer in the Posh programme. Rather graciously, and the other football team

bosses have been invited to the party.

Owning a lower league football club is inevitably a labour of love. But Bolzot has already gained some satisfaction at Peterborough. By investing around £400,000 a year in the youth team and maintaining a consistent line-up on the field, the Posh are second in the division and on line for promotion. Crowds have risen from 5,000 to 7,000 and more.

There is also the property element. Apart from Peterborough United, Bolzot has invested over £10m in the town, buying up and refurbishing a cinema, an office block and an hotel. A successful football team can add some commercial zip to a community. He is also planning ground improvements which will provide a better shop and restaurant, including a pizza outlet, and a new stand that will offer yet more retail opportunities.

The new stand will replace another new stand, which opened two years ago and has proved a disappointment. One of its attractions was its hospitality boxes, which were snapped up by local companies. But few firms renewed for this season. The glass in the boxes steamed up, leaving the guests with a view of their drinks but not of the action on the pitch.

Unfortunately, Bolzot cannot spend too many Saturday afternoons shouting on the Posh. At the age of 55, he still turns out as a player - as a hockey player for his true love, Hampstead and Westminster Hockey Club.

0971 673 3084

INTERNATIONAL ARTS GUIDE

What's on around the world

■ AMSTERDAM

EXHIBITIONS

Rijksmuseum
Tel: 31-20-673 2121
Medieval illustrated histories: the Hausbuch and its Master. Drawings, prints and a panel painting by the Master of the Amsterdam Cabinet, including the 64 sheets of the Hausbuch, which has been taken apart for restoration; ends tomorrow

Stedelijk Museum

Tel: 31-20-5732911
www.stedelijk.nl
Malevich: Works on Paper from the Khardzhay Collection exhibited for the First Time. Around 80 works, spanning almost the whole of the Russian avant-garde artist's career; to Jan 25

■ BALTIMORE

EXHIBITIONS

Baltimore Museum of Art
Tel: 410-336 6310
A Grand Design: The Art of the Victoria and Albert Museum. First stop of a five-city North American tour of selected objects from the V&A's collection. Consists of 250 works of art ranging from Leonardo da Vinci's notebooks to shoes by Vivienne Westwood; ends tomorrow

■ BERLIN

CONCERTS

Philharmonie
Tel: 49-30-2548 8354
Berlin Philharmonic Orchestra: conducted by Nikolaus Harnoncourt in works by Beethoven; Jan 17, 18

■ COPENHAGEN

EXHIBITIONS

Louisiana Museum of Modern Art, Humlebaek
Tel: 45-4919 0719
www.louisiana.dk
● Francis Bacon: this first major retrospective of Bacon to be mounted in Scandinavia will include loans from around the world; from Jan 23 to Apr 26
● The Louisiana Exhibition 1997: New Art from Denmark and Scandinavia. First of a planned series of shows which will present contemporary work from the region; this show includes new works by around 50 artists; to Feb 8

■ EDINBURGH

EXHIBITIONS

National Gallery of Scotland
Tel: 44-131-624 6200
Turner Watercolours: bequeathed in 1900 by the Victorian collector Henry Vaughan, these 38 paintings have been exhibited annually for more than 90 years. The terms of Vaughan's will stipulated that they must not be on permanent display, as he feared the damaging effects of too much light; to Jan 31

Scottish National Gallery of Modern Art
Tel: 44-131-624 6200
Correspondences: transferring from the Martin-Gropius-Bau, Berlin, a selection of works by six young Scottish and six young German artists. Organised as an exchange, the display includes painting, sculpture, video and light projections; to Feb 1

■ GLASGOW

EXHIBITIONS

Burrell Collection
Tel: 44-141-849 7151
Sir John Lavery (1856-1941): The Irish Glasgow Boy. Highlights include 'The Tennis Party' (1885), 'State Visit of Queen Victoria to the Glasgow International Exhibition' (1888), and major portraits in which the influence of Whistler is clearly visible; to Jan 25

■ HONG KONG

EXHIBITIONS

Hong Kong Museum of Art
www.usd.gov.hk/CE/Museum
National Treasures: major exhibition assembling some 160 works of art on loan from China's 30 museums. Includes bronzes, jades, ceramics, paintings and tapestries, some of which have never travelled before. The exhibition brings together objects from all over China, and ranges from the Neolithic period to the early 20th century; to Mar 1

■ LONDON

CONCERTS

Barbican Hall
Tel: 44-171-638 8891
London Symphony Orchestra: Shell LSO 21st Anniversary Concert. Conducted by Elgar Howarth in works by Mendelssohn, Jacobs, Cashlan and Britten; Jan 21

Queen Elizabeth Hall

Tel: 44-171-926 8800
London Sinfonietta: Elliott Carter at 90. Oliver Knussen conducts a programme of works by Carter, including the UK premiere of his Clarinet Concerto. With soloist Michael Collins; Jan 19

DANCE

Royal Festival Hall
Tel: 44-171-926 8800
The Royal Ballet: Cinderella; Jan 17

EXHIBITIONS

Barbican Art Gallery
Tel: 44-171-638 8891
● Shaker: The Art of Craftsmanship. First major exhibition of furniture and decorative arts from one of the most influential Shaker communities, Mount Lebanon. The show traces the origins of the Shaker movement from its origins in late 18th century England through its development in 19th century America to what became a



Portrait of the artist's wife wearing a kimono, 1901, by Henri Matisse, at the Musei Capitolini in Rome, until Tuesday

philosophy and a way of life; from Jan 22 to Apr 26
● The Art of the Harley: 30 customised motorcycles provide the centrepiece of this display devoted to the 95 year history of the Harley-Davidson company; from Jan 22 to Apr 26

National Gallery

Tel: 44-171-939 3321
● Making & Meaning: Holbein's Ambassadors. This recently cleaned double portrait by Hans Holbein the Younger pictures two French ambassadors to the court of Henry VIII in 1533. Presented alongside are drawings and miniatures, and objects relevant to the painting's political and religious background; to Feb 1
● Recognising Van Eyck: bringing together several rare works by the 15th century Netherlandish master alongside other works; to Mar 15

National Portrait Gallery

Tel: 44-171-306 0055
● Bruce Weber: first major museum retrospective devoted to Weber's portraits, this show includes some 200 prints, of subjects ranging from young Hollywood stars to the Duchess of Devonshire; to Feb 15
● Hyenas in Petticoats: Mary Wollstonecraft & Mary Shelley. Celebration of the joint bicentenary of the two women writers, the birth of the latter having caused her mother's death. Through portraiture, drawings and manuscripts the display examines their lives, times and writings; to Feb 15
● Sir Henry Raeburn (1756-1823): previously seen in Edinburgh, this exhibition of some 60 paintings includes the major portraits belonging to the National Gallery of Scotland as well as loans from abroad; to Feb 1

Royal Academy of Arts
Tel: 44-171-439 7438
Art Treasures of England: The Regional Collections. Display of some 500 paintings, drawings and sculptures which will tell the history of the public collections outside London, from the foundation of the first university museums in the 17th century to the present. Including works by Canaletto, Hogarth, Turner and Francis Bacon, the exhibition will also seek to surprise with the works of less well-known artists; from Jan 22 to Apr 13

Tate Gallery
Tel: 44-171-887 8000
● The Turner Prize 1997: display of works by each of the nominees on this year's all-woman shortlist: Christine Borland, Angela Bulloch, Cornelia Parker and Gillian Wearing; ends on Sunday

● Turner on the Loire: selection of watercolours, engravings, and a long lost oil which document the painter's tour of northern France in 1826, the climax of which was his journey up the River Loire; to Feb 15

Victoria and Albert Museum
Tel: 44-171-938 8500
Carl and Karin Larsson: Creators of the Swedish Style. Recreates five rooms of the famous house at Sundborn, and examines its extraordinary impact on the interior design of our century; to Jan 18

OPERA
Shakespeare Theatre
Tel: 44-171-379 5399

The Royal Opera: Le nozze di Figaro, by Mozart. Conducted by Charles Mackerras, with designs by Peter Pabst; Jan 19, 21, 22, 23

THEATRE
Aldwych Theatre
Tel: 44-171-416 6003
Amy's View: by David Hare. Transferring from the National Theatre, Hare's play - directed by Richard Eyre - stars Judi Dench and Samantha Bond as mother and daughter

Apollo Theatre, Shaftesbury Avenue
Tel: 44-171-494 5070
Popcorn: by Ben Elton. Comedy addressing the effect of too much violence in the cinema

Barbican Theatre
Tel: 44-171-638 8891
● Cymbeline: by Shakespeare. Adrian Noble's Royal Shakespeare Company production; Jan 19, 20, 21, 22
● The Mysteries: directed by Katie Mitchell, at the Pit; Jan 19, 20, 21, 22

Lyric Theatre, Shaftesbury Avenue
Tel: 44-171-494 5045
Cyrano de Bergerac: by Edmond Rostand, translated and adapted by Anthony Burgess. West End transfer of the RSC production, starring Antony Sher and directed by Gregory Doran

National Theatre
Tel: 44-171-928 2252
● Othello: by Shakespeare. Sam Mendes directs a cast which stars David Harewood as Othello, Simon Russell Beale as Iago and Claire Skinner as Desdemona; Cottesloe Theatre
● The Invention of Love: the protagonist of Tom Stoppard's new play is the poet and classic scholar A. E. Houseman, played by Paul Rhys and John Wood. Richard Eyre directs a production designed by Anthony Ward; Lyttelton Theatre
● An Enemy of the People: by Ibsen, in a new version by Christopher Hampton. Directed by Trevor Nunn. Cast includes Ian McKellen; Olivier Theatre

LOS ANGELES
CONCERTS
Dorothy Chandler Pavilion
Tel: 1-213-365 3500
Los Angeles Philharmonic: conducted by Franz Welser-Möet in works by Mozart and Bruckner; Jan 22, 23

EXHIBITIONS
Museum of Contemporary Art
Tel: 1-213-626 6222
www.MOCA-LA.org
Cindy Sherman: retrospective tracing the New York-based artist's development from the 1970s to the present. Consisting of 158 works, this show presents selections from each of her major series; to Feb 1, then touring

OPERA
L. A. Opera, Dorothy Chandler Pavilion
Tel: 1-213-972 8001
www.laopera.org
Salome: by R. Strauss. Revival of Sir Peter Hall's production, conducted by Richard Hickox; Jan 18, 21

MILAN
OPERA
Teatro alla Scala
Tel: 39-2-88781

Abdul-Hamid Lahawri, made for the emperor Shah-Jahan, builder of the Taj Mahal, and one of his finest possessions; to Feb 8
● Klee Landscapes: from the Berggruen Klee Collection; to Feb 8
● Master Hand: Individuality and Creativity Among Yoruba Sculptors; to Mar 1
● Richard Pousette-Dart (1916-1992): works by the American Abstract Expressionist, tracing his evolution from Cubism towards his mature style. Includes loans from the artist's estate; to Feb 22

Museum of Modern Art

Tel: 1-212-708 9480
www.moma.org
● From Henri de Toulouse-Lautrec to Andy Warhol: Exploring Techniques. Selection of 70 woodcuts, etchings, lithographs and screenprints, demonstrating that stylistic achievements have been linked to printmaking processes; to Feb 8
● New Concepts in Printmaking 1: Peter Halley: installation of technologically-derived works by the painter launches a series which aims to challenge conventional notions of printmaking; to Feb 8
● On the Edge: Contemporary Art from the Werner and Elaine Dannheisser Collection. More than 80 works by artists including Tony Cragg and Cindy Sherman; ends on Tuesday

Whitney Museum of American Art
Tel: 1-212-3272601
● Fashion and Film: running concurrently with the Warhol show, this film and video series traces the relationship between the two industries, from early fashion newsreels and the studio designers of the 1930s to the present; ends tomorrow

● The Warhol Look/Glamour Style Fashion: major retrospective of around 500 works of art, following Warhol's career from the 1940s to the 1980s, and also including works by his contemporaries. The exhibition is presented in seven sections, and begins with a consideration of Warhol's early fascination with Hollywood glamour; ends tomorrow

OPERA
Metropolitan Opera, Lincoln Center
Tel: 1-212-362 6000
www.metopera.org
● Capriccio: by R. Strauss. New production by John Cox, with sets by Mauro Pagano; Jan 21

● La Cenerentola: by Rossini. Met Opera premiere. New production conducted by James Levine in a staging by Cesare Lievi, with designs by Maurizio Balò; Jan 20

● The Rake's Progress: by Stravinsky. New production by Jonathan Miller, conducted by James Levine. Cast includes Dawn Upshaw and Samuel Ramey; Jan 17

THEATRE
Broadhurst Theater, 235 W. 44th St.
Tel: 1-212-239 6200
Proposals: by Neil Simon. Nostalgic family drama, directed by Joe Mantello

Broadway at 45th St.
Tel: 1-212-719 1300
A View from the Bridge: by Arthur Miller. Roundabout Theater production directed by Michael Mayer. Anthony LaPaglia plays Eddie. Brittany Murphy his unfortunate niece

Music Box, 239 W. 45th St.
Tel: 1-212-239 6200
The Diary of Anne Frank: newly adapted by Wendy Kesselman, directed by James Lapine and starring Natalie Portman

PARIS
CONCERTS
Salle Pleyel
Tel: 33-1-4561 6589
Orchestre de Paris: conducted by Gilbert Varga in works by Strauss, Kanchell and Dvorak. With cellist Mstislav Rostropovich; Jan 21, 22

Théâtre des Champs Elysées
Tel: 33-1-49525050
Russian State Symphony Orchestra: conducted by Evgueny Svetlanov in works by Sibelius and Stravinsky. With violin soloist Dimitri Makhit; Jan 20

EXHIBITIONS
Musée Carnavalet
Tel: 33-1-4272 2112
Paris and the Parisians in the time of Louis IV: more than 300 engravings, which together create a vivid impression of 17th century Paris. Including portraits, images of the city and its monuments, as well as proverbs, allegorical works, and almanacs; to Jan 18

Musée du Louvre
Tel: 33-1-4020 5151
www.louvre.fr
Pajou, sculpteur du Roi: first retrospective devoted to works by the French sculptor (1730-1809), successful in the French Royal Academy of Painting and Sculpture and a favourite of Louis XV and Louis XVI. Includes marble statues, portrait busts, terracotta sketch-models, and drawings including designs for the

opera at Versailles. Ends on Monday, then travelling to New York

■ ROME

EXHIBITIONS

Musei Capitolini
Henn Matisse: more than 200 works are included in this major exhibition, which aims to demonstrate the profound influence of Oriental art upon the great modernist. In 1910 Matisse travelled to Munich to see the first major exhibition of Islamic art, and examples of Islamic and Byzantine art here provide a context in which to regard works by Matisse; ends on Tuesday

Palazzo Ruspoli
Tel: 39-6-6830 7344
www.palazzoruspoli.it
Fayum: Mummy Portraits. Previously shown at the British Museum in London, this exhibition contains nearly 200 portraits. Painted on wooden panels, linen shrouds, cartonnage or three-dimensional plaster masks, they were created during the first three centuries of Roman rule in Egypt; to Feb 28

Palazzo Venezia
Tel: 39-6-6999 4259
Pietro da Cortona (1597-1669): celebrating the 400th anniversary of the birth of the Italian baroque artist, this retrospective comprises around 100 paintings, as well as architectural drawings and a group of sculptures. Cortona was responsible for ceilings in the Palazzo Barberini as well as decorative schemes in numerous other Roman churches and palaces; to Feb 10

OPERA
Teatro dell'Opera
Tel: 39-6-481601
www.themix.it
Le Nozze di Figaro: by Mozart. Production for the Teatro Comunale in Florence by Jonathan Miller. Conducted by Hans Graf, with sets by Peter J. Davison; Jan 22

SAN FRANCISCO
OPERA
San Francisco Opera, War Memorial Opera House
Tel: 1-415-864 3330
www.sfoera.com

● Le Nozze di Figaro: by Mozart. Conducted by Ivor Bolton in a staging by Graziella Sciutti; Jan 17

● Tosca: by Puccini. Conducted by Maurizio Barbacini in a staging by Lotfi Mansouri. Georgina Lukacs sings the title role; Jan 18

VIENNA
EXHIBITIONS
Jüdisches Museum
Tel: 43-1-535 0431
www.jmw.at

Max Lieberman: selection of paintings by the German Impressionist dating from the period 1900-1918. Also on display are French Impressionist works he collected; ends tomorrow

KunstHausWien
Tel: 43-1-712 0495
Herb Ritts: first European retrospective of work by the American photographer. Previously seen in Boston, the exhibition ranges from portraits of Hollywood celebrities to images of Africa; ends tomorrow

Kunsthistorisches Museum
Tel: 43-1-525240
Pieter Brueghel and Jan Brueghel: comprehensive survey of the art of the two sons of Pieter Brueghel the Elder. Includes around 130 paintings and 20 works on paper by Jan Brueghel the Elder (1568-1625) and his less celebrated brother Pieter Brueghel the Younger (1564-1637/8). The exhibition also includes a dozen important works by their father, enabling visitors to trace his influence upon the technique of his sons; to Apr 14

WASHINGTON
EXHIBITIONS
National Gallery of Art
Tel: 1-202-737 4215
www.nga.gov

Lorenzo Lotto: Rediscovered Master of the Renaissance. 50 paintings, many of them on loan from churches and museums in Italy. To Mar 1, then touring to Europe

OPERA
Washington Opera
Tel: 1-202-295 2400
www.dc-opera.org

● Dofa Francisquita: by Vives. Conducted by Miguel Roa in a staging by Emilio Sagi, with choreography by Goyo Montero; Kennedy Center Eisenhower Theater; Jan 17, 20, 23

● L'Elisir d'Amore: by Donizetti. Conducted by John Keenan in a staging by Stephen Lawless, with designs by Johan Engels; Kennedy Center Eisenhower Theater; Jan 19, 22

● The Magic Flute: by Mozart. Revival conducted by by Heinz Fricke and directed by Sonja Frisell. With designs by Zack Brown; Kennedy Center Eisenhower Theater; Jan 18, 21

ZURICH
EXHIBITIONS
Kunsthaus Zurich
Tel: 41-1-251 6765
Arnold Böcklin, Giorgio de Chirico, Max Ernst: Voyage into the Unknown, comprising 130 paintings, collages and sketches; to Jan 18

OPERA
Zurich Opera
Tel: 41-1-268 6400
Oberon: by Weber. New production staged by Johannes Schaff, conducted by John Eliot Gardiner in his Zurich Opera debut; the first night is Wednesday

Arts Guide by Susanna Rustin
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Detail from 'The Triumph of Death', 1625, by Pieter Brueghel the Younger, copied from a work by his father Pieter Brueghel the Elder. At the Kunsthistorisches Museum, Vienna

Weekend Investor

Wall Street

A year for investors to play it safe

Picking the right sector is more important than ever, writes Daniel Bögl

Wall Street had a splendid 1997: the Standard & Poor's Composite index produced a total return of more than 33 per cent, the third straight year of out-sized gains. Provided investors stuck to large-capitalisation stocks or, even better, to index-tracking funds, they will have been rewarded handsomely.

This year promises to be very different. Growth in US corporate earnings is set to fall from 11 to perhaps 7 per cent as Asia and a slowing domestic economy take their toll.

Even assuming a further expansion of price-earnings multiples on the back of lower interest rates and inflation, most equity strategists are forecasting more modest total returns of around 10 to 15 per cent.

In this tougher environment, the onus will be back on active stock-pickers to choose the right sectors.

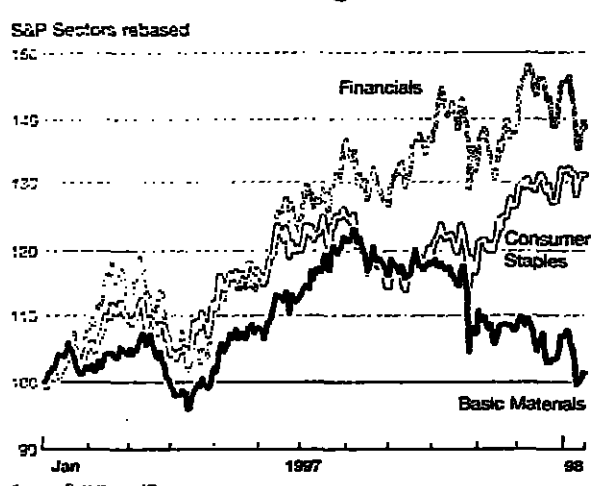
Financials last year's star performer which beat the S&P Composite by 15 per cent, remains a firm favourite with most analysts. John Manley, strategist at Salomon Smith Barney, points to consolidation, cost cutting and reduced cyclicality as the fundamental attractions behind commercial banks.

Admittedly, the international money centre banks, such as Citicorp and BankAmerica, have substantial exposure to Asia, but their shares have been hit accordingly, and now stand at steep discounts to the market. Meanwhile, investors should continue to benefit from the wave of takeovers sweeping through the domestic regional banks, which has driven prices to new highs.

By contrast, the pace of consolidation on Wall Street itself is likely to slacken, simply because there are few significant targets left. But the earnings momentum and geographical balance of the big investment banks and brokers - Merrill Lynch and Morgan Stanley Dean Witter spring to mind - ought to ensure another good year for them.

Healthcare stocks should produce another strong showing after their 10 per cent outperformance of the index in 1997. While the big pharmaceutical groups are

Sectors don't move together



trading at a demanding 40 per cent premium to the market, their solid double-digit earnings growth and defensive qualities make them a reliable choice during volatile times.

Volumes are rising steadily as managed care companies increase drug use to shorten expensive hospital stays, and Warner-Lambert, Pfizer and Merck are all launching promising new products.

The third sector on most lists is technology, which has had a rotten time since the Asian crisis blew up last autumn. Some of that underperformance has been for good reasons. The dramatic December profit warning from Oracle, the database provider, showed how rapidly falling demand in Asia has spilled over into earnings and a number of other software and components suppliers, such as 3Com, have also disappointed.

Yet Intel's better than expected results this week showed that stronger sales in Europe were making up for much of the Asian weakness. This suggests companies with a dominant market position, such as Intel in semiconductors or Microsoft in operating systems, should continue to fare well.

Moreover, personal computer makers such as Dell, Compaq and Hewlett-Packard, which have strong, low-cost business models, look ideally placed to continue to win market share and outperform.

Led by such stocks, Lehman Brothers' analyst Arun Kumar argues that the techs as a group should produce

the best returns of any sector during 1998.

Consumer companies are a more difficult call. If this year is as difficult as expected, large multinationals such as Coca-Cola, Gillette and Procter & Gamble look like low-risk bets. But, given the slowdown in economic growth at home and cheaper imports because of the dollar's strength, consumer stocks will generally find it difficult to raise prices and margins.

The same is true of the more cyclical consumer groups, such as car makers and house builders. Similarly, oil and energy stocks have to overcome falling oil prices, while telecoms and utilities, particularly electricity generators, will spend 1998 overhauling with deregulation and increasing competition. Basic materials, especially mining and steel, also look unattractive given falling commodity prices and overcapacity.

Against a background of falling market returns, the best advice for investors determined to remain in equities is probably to play it safe with large-cap companies in defensive sectors such as healthcare, financials and consumer staples, and to spice up their portfolios with a sprinkling of the better quality tech stocks.

Dow Jones Ind Average

Monday	7,580.42	-222.20
Tuesday	7,847.18	+66.76
Wednesday	7,732.13	+84.95
Thursday	7,691.77	-92.92
Friday		

London

Little does not go a long way

Small companies have faltered, says Philip Coggan

Small used to be beautiful in stock market terms, but no longer. Having been taught in the 1980s that smaller company stocks beat their larger brethren over the long run, investors have seen that principle negated in the 1990s.

If the investment catchphrase of the 1980s was "elephants don't gallop", the 1990s motto must be that "a good big 'un will always beat a good little 'un".

Why has investing in smallcaps suddenly become such a washout?

Elroy Dimson and Paul Marsh of the London Business School, who did a lot of the pioneering work in discovering the UK small company effect, have tried to come up with an answer.

From 1955, the Hoare Govett Smaller Companies index, which they developed, outperformed the FTSE All-Share index by 6 per cent a year, since then it has under-

performed by the same amount.

According to Dimson and Marsh, the reason for this shift can be found in the fundamental performance of the companies concerned.

Over the 1955-88 period, real dividend growth in the small company sector was 3.3 per cent a year, as opposed to just 1.5 per cent for large companies.

The result was twofold: investors earned greater returns from smaller stocks and they were, accordingly, willing to pay a greater premium for small companies, forcing up share prices in the process.

Since 1989, the real rate of growth in smaller company dividends was just 0.9 per cent, compared with the 4.2 per cent growth achieved by larger groups.

Small wonder that smaller stocks have underperformed. Not only have the returns to investors been poor, the premium rating attached to

small companies has just about disappeared (the FTSE SmallCap [ex-investment trust] index now trades on a higher yield than the FTSE 100).

Why has the underlying performance of small companies been so bad? In part, this could be due to changing economic and industrial circumstances.

In the 1980s and 1970s, large UK companies were notoriously inefficient and over-manned, and it was possible for small companies to be more flexible and (proportionately) profitable.

More recently, however, large companies have been successful in restructuring and cutting costs.

As a result, they have gained the advantages of pricing power and economies of scale in a highly competitive global market.

Sectoral factors are an issue, too. The large company indices contain a high proportion of banks, phar-



A good big 'un will always beat a good little 'un

maceuticals and oils, all industries where economies of scale can be achieved; smaller indices are weighted towards engineering, where it has proved much more difficult to build global businesses.

There are few signs, as yet, of those trends changing in 1998.

Meanwhile, for small and large companies alike, the week started on an ominous note after the collapse of Peregrine Investments, a Hong Kong investment bank, and Wall Street's 522-point drop on the previous Friday.

For a while on Monday, it looked as if the markets were reliving the mini-crash of last October; the FTSE 100 index was down 150 points at the day's worst. But Wall Street recovered quickly, and rallied in Asian markets on Tuesday and Wednesday restored something of a measure of calm.

On Thursday and Friday, the solid underlying position of the UK market took over (the high level of institutional cash holdings and the prospect of more cash from buy-backs and takeovers) and Footsie marched ahead to within 67 points of its all-time closing high.

The main sour note, for once, came from domestic news. Wednesday's announcement of an increase in the annual rate of average earnings growth, to 4.75 per cent, was a sign of the wage pressures building up in the economy.

The news immediately brought forth cautionary comments from Eddie George, the governor of the Bank of England, and was seen widely as making yet another rise in interest rates more likely when the Bank's monetary policy committee meets next month.

While good news for those of us in employment, the rise in wage pressures is nothing but bad news for the equity market.

Either employers will pass on higher wages to customers in the form of higher prices, and the Bank will raise interest rates in response, or businesses will prove unable to pass on their higher labour costs and their profit margins will narrow. Moreover, at a time when interest rates in the rest of the western world are expected to be steady or falling in response to the Asian crisis, a further rise in UK rates seems likely to increase the upward pressure on sterling.

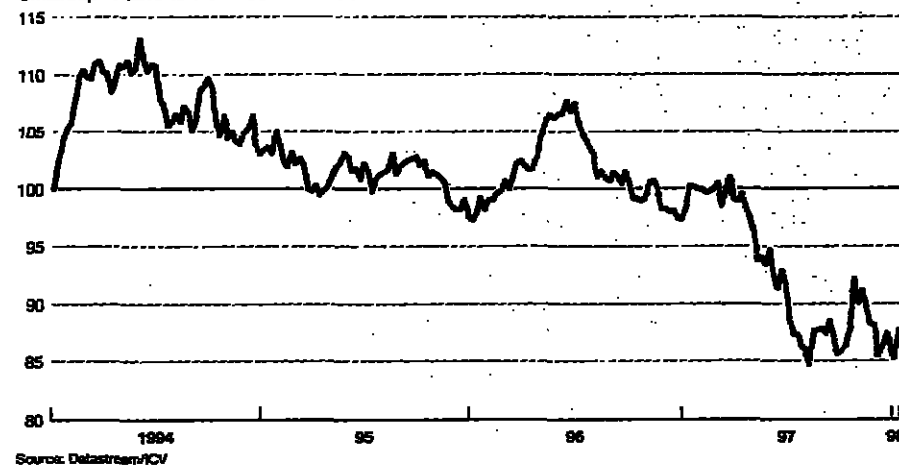
Signs that exporting is becoming more of a struggle emerged in Monday's manufacturing output figures, which showed a 0.4 per cent drop in November. But the Bank's dilemma in setting monetary policy will have been heightened by the British Retail Consortium survey, published on the same day, which revealed a last minute dash to the high street before Christmas.

So, does the Bank pay more attention to wage pressures, high street sales, manufacturing output or events in Asia? Its decision could be crucial in setting the direction of the stock market for the rest of the year.

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Small comfort

SmallCap relative to the FTSE 100 index



Highlights of the week

	Price y/day	Change on week	52 week High	52 week Low	
FTSE 100 Index	5283.1	+124.3	5330.8	4078.8	Stock shortage
FTSE 250 Index	4812.6	-52.0	4963.8	4386.2	Burdened by retailers/engineers
BBA	354.1	-54	450	314	Weak engineers in face of Asian worries
British Aerospace	1605	-182	1850	1189.4	Fears of US orders cancelled
Dixons	498	-82	723	462	Poor Christmas trading
Meyers	1985	+132.2	1995	1072	Good results expected
Orange	270	+20.5	280	185	Positive broker comment
Rolls-Royce	206	-26	271.1	190	Concerns over Asia
Sage Group	952.4	+80	952.4	517.7	Strength in technology stocks
Sainsbury (J)	500	+20	530	307	Strong retail sector
Savoy Hotels A	1285	+107.2	1600	1157.7	Buoyant sector
Savem Trent	1072	+62	1079	663	Investors seek defensive stocks
Stake	102	+8.1	110.4	91	Strong trading
Tomkins	222	+12	351	222.2	Strong results
Wolseley	471.1	-25.4	549	422.2	Adverse broker comment



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Tony Jackson

Walking a tightrope

Will the world fall off? Not quite yet, with luck



As this week showed again, the big themes in world markets are still the two-way pull of the Asian crisis. On the one hand, we have damage to the west's corporate earnings and - perhaps - to its economic growth. On the other, we have downward pressure on inflation and interest rates. Add the remote but appalling risk of systemic damage to the world banking system, and what do you get?

A pretty fine balance, it would appear. The US equity market, for instance, might be immensely jumpy but the broad Standard & Poor's index is less than 3 per cent down from its December peak, and 25 per cent up over the past year. Even the Nasdaq index, with its supposedly Asia-vulnerable high tech stocks, is still well up on a year ago in spite of a 13 per cent fall from its peak.

In Europe, the picture is similar. The UK's FTSE 100 index is only 1 per cent off its high. And, while the damage to some Asian markets has been horrible, the world equity index is only 8 per cent off its peak in dollar terms, and 10 per cent up on the year. All the while, of course, bond prices in the US and Europe have been rising.

It is now three months since the crisis gripped the markets. If, after all that time, this is their considered reaction, portfolio investors might well ask what all the fuss is about.

It would not do to be too sanguine. One unsettling aspect of the crisis is that each time it

seems to have settled down, something else falls off with a bang, and Chinese devaluation, should it happen, could be the biggest bang of all. Let us suppose, though, that we have seen the worst of it. Are the markets right to be so apparently unconcerned?

As ever, much of the answer lies with the US, especially given its present role as engine for the world economy. Its fourth

quarter results season will be more delicate than most, with the big global companies showing their bruises from Asia and the soaring dollar. The first bulletins this week, though - Intel good, Motorola less so - gave little to worry about.

As for the domestic US economy, a bullish case is emerging cautiously. The fall in bond yields is a stimulus to activity in general. Consumers are being helped by lower interest rates and the recent sharp drop in the oil price. All this comes at a time of rising wages and full employment, plus the wealth effect provided by Wall Street itself, and the beauty of it is that the Asian crisis makes the Federal Reserve less likely to intervene.

Not that the average institutional investor necessarily sees it that way. According to that handy publication, the Merrill Lynch Global

Survey, US fund managers are, on balance, bears of US equities at present. Nearly half think the market is over-valued and none at all thinks it is cheap. This would be unnerving were it not for one fact: a year ago, the same managers were more bullish on US equities again.

So, everything is all right, then? For now, quite possibly. Further out, I can think of at least two things to brood about.

Each time the crisis seems to have settled down, something else drops off with a bang

The first is micro-economic. Wall Street is still being helped along by share buy-backs. Increasingly, as a result of recent changes to the tax regime, so is London - one example this week being Rio Tinto. Whatever the merit of individual cases, this plays to the received idea that debt is a good thing per se. On the other side of the world, this idea is being disproved to stunning effect.

This is not to say that US or UK companies, like their counterparts in Korea or Indonesia, are committing the folly of borrowing hugely on overdraft in unmatched foreign currencies. On the contrary, the fall in long-term interest rates has led to something of a boom recently in the issuance of corporate bonds.

The worry is rather that the long bull market has spawned the naive belief that a highly

geared balance sheet is the key to shareholder value, in good times or bad. As elementary financial theory shows, this is simply fallacious. It is also faintly worrying that some companies have apparently taken to justifying their debt levels in relation to their market capitalisation which, in a bubble market, would be a recipe for suicide.

In macro-economic terms, the worry is different and rather less tangible. In the long run, the more western markets take comfort from the distress of Asia, the more they risk the folly of believing their own propaganda.

There is an unsettling parallel to be drawn between Wall Street now and the Tokyo market a decade ago. Last summer, the consensus was that Wall Street was over-valued. In the summer of 1987, the consensus was that Tokyo was screamingly so. In both cases, the market was looking in the wrong place. In 1987, it was Wall Street which collapsed instead.

Tokyo's ability to shrug that off was taken as further evidence that it was indeed special: that normal rules of valuation had ceased to apply. The market then rose a further 50 per cent before falling apart.

With hindsight, the nature of the Japanese bubble seems perfectly obvious: it was less apparent 10 years ago: it is equally hard to see real structural flaws in the US economy today. But, remember the old rule: if it all looks too good to be true, it probably is.

Offshore managed funds and UK managed funds are listed in Section One

JPY 100 150

FINANCIAL TIMES

FT WEEKEND

True Fiction / Kieran Cooke

Massaging the facts of life

The Grim Reaper comes to many guises. A relative of my wife endured several years in a Singapore prisoner-of-war camp only to be knocked into the afterlife, soon after being released, by a crate of corned beef dropped from a passing US food relief aircraft.

A French friend, a purveyor of the more exotic types of women's underwear, was raising his arm for another bottle of champagne in a Lyons restaurant while gobbling *pâté de foie gras* when he froze, pole-axed by a coronary. His table companion, one of the models for his goods, died the same night after falling into an open manhole whose cover was stolen by a British gang illicitly supplying a local scrapyard with raw materials.

Recently a housewife in Florence collapsed and died at her husband's funeral after hearing the words "Let me out of here, I'm hungry" coming from the coffin. Apparently the husband had dabbled in amateur theat-

rics and a ventriloquist friend thought a spot of voice throwing would be appropriate.

These macabre thoughts ran through my addled brain last week as I gazed into the netherworld. That I have managed to claw my way back to life is a miracle of Lazarus-like proportions.

I was in Istanbul, attending a conference at the Greek Orthodox patriarchate. Though the subject - the great schism of 1054 - is one of particular interest to me, I must confess to being overcome with a sense of ennui after three days of Byzantine discussions.

I decided to dodge the proceedings and head for one of my favourite haunts - an old hamam, or Turkish bath, tucked

away on a back street on the Golden Horn.

At first, everything was as it should have been. "Shoes off, here," said one mustachioed attendant. "Clothes off, here," said another. "You will lie down here," said Ahmet, the boss man, a mustache the size of a farmyard brush protruding from his top lip.

I eased my body on to the hot marble slab. Within minutes I was like a piece of overdone haddock, the sweat streaming out of every pore, muscles turning to pulp.

Ahmet appeared through the mist. "You go massage - over there." With a physique that looks as if it has been hewn out of Anatolian rock, and a demeanour befitting Mike Tyson

at his ear-biting worst, Ahmet is not one to be argued with.

Usually, the pummelling and pounding administered by Ahmet and his crack force of vetted wrestlers takes about 15 minutes. For that length of time, it is just about bearable. When the final two slaps signal the end of the treatment you sigh with relief and attempt to stand on legs like overcooked spaghetti. The promise of a handsome tip ensures the agony is not prolonged.

Not so this time. In this crazy world it seems there is no escape from the intrusion of the media.

There I was, gathering my limbs together when a Japanese TV crew appeared through the fog.

A documentary on Istanbul was being made and a scene was

needed in a Turkish bath. Words and cash were exchanged between the producer and Ahmet. My body, or what was left of it, became the focus of attention. As the only customer I was asked, or ordered, to become a lead actor in this steamy film. My protests were stifled by one steely look from Ahmet.

The massage began again with a vengeance. Under the arc lights and whirling cameras, Ahmet, sensing a moment of movie glory, put in an Oscar-winning performance. My limbs were taken to places they had never been before.

"Take Seven," said the assiduous Japanese. The soles of my feet were introduced to the eternal chasm I dreamt I was a

Ahmet rested his ample foot on my chest and pulled an arm a good 2m out of its socket. I went into suspended animation.

Some years ago Ankara protested to Tokyo over the Japanese use of the term "Turkish bath" to describe massage parlours of ill repute. Anxious to settle the matter, Tokyo decreed that in future such establishments must go by the clean but quaint name of "Soaplands".

Perhaps I was about to become a star in some alarming Japanese sado-masochistic movie. Would friends in Japan recognise me? What if my colleagues at the patriarchate learned about my out-of-conference activities?

As I edged ever nearer to the eternal chasm I dreamt I was a

chicken with no feathers, pursued by a pack of salivating foxes. Then I was in an earthquake, trapped under tonnes of masonry. Only when I rejoined the world did I realise Ahmet and his 17 cronies were taking a stroll up and down my spine. I could not cry out: my limbs were as useless as airless balloons.

Just in the nick of time, the cameras stopped and the lights were switched off. Someone clapped, the sound seeping through the hamam's arched caverns. It was an hour before I could stand and the limp lasted for three days.

"Clothes on here," said one mustache. "Shoes on there," said another.

I scurried back to the conference and the great schism - checking along the way for crates of corned beef falling from the sky, walking tentatively around manholes, on the alert for exploding beer bottles, and, of course, ever wary of a fatal dose of static electricity.

Arcadia

Take a fatal walk on the wild side

Christian Tyler peruses the price list in a game reserve where guests shoot to cull: springbok \$275, lioness \$4,500

The crack of the rifle hung like a question mark over the silent expanse of sand and scrub. At the same instant a solitary springbok, which had been picking its way across the opposite slope, jumped sharply to its left. There was a flash of white rump as it prousted behind a thorn bush, and disappeared.

The hunter and his tracker slowly crossed the intervening 300 yards. Beside a bleached log lay the answer to the rifle's question. The springbok was stretched out on the desert, his eyes bright in death and his neck thrust forward. A small hole punctured one creamy flank just above the heart. From the other flank, crimson blood trickled into the red dust.

Who would kill a beautiful creature in the prime of its life? For the hunter who had flown thousands of miles and walked for hours through the bush to loose off a single bullet, it was a moment of elation - and relief. But for a growing army of animal lovers on the other side of the globe it would have been an act of wanton destruction.

On this estate in the southern Kalahari desert, 130km from Kuruman in the northern Cape, springbok are plentiful. They dance across the horizon at dawn, long chorus lines leaping over unseen hurdles. In the foreground herds of eland, kudu and oryx gallop past, nose to tail. A trio of ostriches saunters over a dune ridge, sparrow-sized chicks scrambling between their legs. The exhibitionist *kor-haan*, a pheasant-like bird, rockets off the ground, simulates a heart attack and tumbles to earth in a flurry of feathers.

Almost everything here has been reinstated. The owner, Stephen Boler, is a tough-minded, chain-smoking, self-made multimillionaire from Manchester in northern England, who now

spends most of his time in South Africa. With 59m of his fortune and 23m from Philip Rigby, his business partner, Boler paid over the odds to buy out 34 Boer subsistence farmers and create his own utopia.

Although it is the largest privately owned reserve in South Africa, land is not limitless. And the animal management policy here, as in many parts of Africa, is unambiguous: shoot to cull.

Most of the 210,000 acres are given over to wildlife breeding and eco-tourism. On the rest, hunters from Europe and the Americas are invited to pay to bag surplus animals.

Boler says he has no difficulty squaring his love of hunting with his passion for wildlife

As human populations expand, conservation means culling. In remote areas like this, where tourism is sparse and volatile, it can make sense to let rich foreigners pay some of the costs of conservation, by letting them do the shooting.

Although he does not shoot on his own place, Boler says he has no difficulty squaring his love of hunting, acquired when he was a Unilever trainee in west Africa, with his passion for wildlife, and especially for the endangered black rhino.

But he is no fool either. Many of his wealthy visitors have booked their safaris through "green" tour operators. The two sides of the business he keeps strictly separate. "I'm not shy, I'm not ashamed of it," he said. "But people will get shy. There's a tremendously strong anti-hunting lobby worldwide."

At Tswalu, eco-tourists are taken from luxurious rondavels (palmatal huts), decorated with African tribal art, out across the red dunes to watch the animals at play. Among the attractions are rare roan and sable antelope and two baby black rhinos, newly born from a group of eight. Visitors are given an animal guide and a bird check-list on recycled paper. A letter from the management assures them that no CFC aerosols are used, nor plastic shampoo bottles, and that kitchen waste is saved for compost. "Our cleaning products are completely eco-friendly," it declares.

A few miles away, approached by a different road from Boler's private airstrip and well out of range of the eco-tourists, is the hunting ground, Tarkuni Estates. Here, a big new lodge is being built with its back to the hills and a long westward view over the desert. The glossy brochure claims "the ultimate African hunting experience" with "more species to hunt than any other game lodge in Africa".

It costs US\$275 to bag a springbok, in addition to the cost of food, lodging and the services of a professional hunter. The trophy menu includes most of the big antelope, but also jackal at \$75 a head, ostrich at \$300, giraffe at \$2,950, roan at \$6,500. A lioness, when available, is \$4,500 and a buffalo \$6,000. Last year, Boler advertised a female white rhino which was past childbearing: he got \$35,000 for it.

"It's very hard to explain to someone who is against hunting how that can play a part in conservation," said Boler. "There's no point saying 'I'll shoot an old bull elephant (there are no elephants yet at Tswalu), because it's going to die anyway and the money goes back into preservation. You can't explain to them that the enjoyment is not in the kill, it's in the hunt."

Boler aims to make his estate



viable, but not to recoup his investment. At present, trophy hunting brings in more than tourism, but the biggest income comes from breeding rare species and selling the surplus to other reserves. (At auction, a disease-free Cape Buffalo cow currently fetches R150,000, or £20,000.)

As a businessman, Boler is used to controversy - even if he doesn't always relish it. Beginning in car tyres and exhausts, he has amassed a fortune of around £100m creating and selling businesses. He flies in a Falcon jet with gold-plated seat belt buckles. He owns part of Manchester City football club. His last coup was the reported £50m he banked from the controversial flotation 15 months ago of Lime-

light, his kitchens and bathrooms company.

After the float at 175p the company seemed to lose control and the share price collapsed, reaching a low of 27p and now hovering around 33p. Although Boler had disengaged from daily management two years before in order to spend time setting up his African idyll, investors were not amused. Still the largest shareholder, the company's founder has been obliged to reassert his presence - albeit at a distance - and underwrite an increased company overdraft from the Royal Bank of Scotland.

"It's been the most embarrassing situation I've ever been involved in," he said, sitting on a verandah with the desert behind

him. "LimeLight is a great business, but just about everything that could go wrong did go wrong. I'm not to blame but I feel a moral obligation."

As for the morality of shooting to cull, Boler's conscience is untroubled. What looks cruel to the town looks normal to the country. What is taboo in New York or London seems common sense in the Kalahari.

The Humane Society of the United States has lobbied Congress in the hope of blocking US aid to projects in Africa where trophy culling is practised. "We consider it animal cruelty in its purest form," said Wayne Pacelle, a vice-president, "even if it is for conservationist ends. Too often the revenue doesn't even go to

the people on the ground."

But conservation groups are, broadly speaking, allies. Julius Koen of the northern Cape Nature Conservation Service, who has visited Tswalu, described it as "very well planned". Boler, he added, was a determined man, but one who listened to advice.

Even the British arm of the Worldwide Fund for Nature makes no bones about what it calls the "consumptive use of wildlife," providing there is no obvious alternative, that it benefits the local is sustainable, scientific and involves no cruelty.

Meanwhile, for good or ill, the head of the springbok will look very fine, stuffed and mounted, on my wall.

Metropolis

The sale of a style

Quick-witted and exotic, the Roger brothers were accepted everywhere. Antony Thorncroft reports

generosity. During the season, and at Christmas, the fun shifted to Scotland, to the remote 30,000-acre estate at Dundonnell, near Ullapool, bought in the 1950s with a sudden windfall: some family shares, which had laid dormant in New York since the Great Depression, suddenly spiralled in value.

The Rogers are about to enter the public domain because later this month more than 1,500 objects that they acquired to furnish their London and Scottish homes come up for auction at Sotheby's. Each brother had his own collecting field - Alan bought Chinese furniture and works of art, and patronised contemporary painters, such as Lucie Rie and Hans Coper, as well as young Scottish artists. Stolid Sandy favoured Victorian works of art, while Bunny liked anything outrageous.

At Dundonnell, the cream of the local aristocracy were entertained in style. Highland dress was de rigueur and any guest arriving in mufti was soon kitted out. In fact, it was perhaps a mistake to bring your own clothes. One lady arrived late at dinner with the excuse, "I didn't know whether to dress up or to dress down". Bunny gave her a withering look and asked, "Well, which did you decide?"

The Roger brothers carried into the 1950s a lifestyle which is best captured in the early novels of Evelyn Waugh and Ronald Firbank. They lived to please, themselves and others, and could well afford to do so. They were the sons of Sir Alexander and Helen Roger who, with extraordinary generosity and forbearance, accepted the fact that their boys were not like most other men.

Sir Alexander had been hewn out of different clay - born into barefoot poverty in Aberdeen-

shire. By industry and intelligence he succeeded in making a fortune from telecommunications. He sowed; his sons reaped; and within a century a fortune passed through the hands of the family. There were naturally no heirs, not even remote relatives. The Roger millions, including Dundonnell, which has just been sold for £3m, has passed to employees, in particular the Chinese servants of Alan, and the last brother to die.

Sir Alexander had tried to bribe some beef into his lads, promising Bunny a present of his choice if he made the 15 at Loreto, the notoriously tough Scottish school, chosen to chivvy up the children. Bunny made the team and asked for a doll's house. Sir Alexander and Lady Roger maintained warm relations with the boys, and, in a way, their faith was

justified. The youngest son, Sandy, was directed towards the family business, and died first. He is remembered as a quietly spoken, whisky and tweeds, Scottish gentleman.

The eldest son Alan fell in love with the Orient, where he worked for the government in Hong Kong, and with gardening, pioneering the bonsai tree in the UK.

But it was Bunny who set the tone, a familiar figure as he strode through Kensington in gay Edwardian-style suits and full waist measurement was the same as that of Diana, Princess of Wales, and he remained a dandy to the last. Once, as he stepped out of a taxi powdering his nose, the driver could not resist saying, "Watch out, you've dropped your diamond necklace, love." Bunny was unphased: "Diamonds with tweeds. Never!"

Like all the brothers, he never quite overstepped the mark. While the earlier generation of Bright Young Things embraced drugs, fascism and *ennui*, Bunny, although sent down from Oxford for homosexual provocation, found a happy and productive niche as a dress designer, on money advanced by his father.

His insouciance came into its own in 1944 as an officer in the Rifle Brigade, charged with chasing the Germans out of Italy. He went into battle well rouged, warmed by a chignon scarf, and brandishing a copy of Vogue. He also found time to rescue a wounded soldier from no-man's-land.

Many of the brothers' material possessions, like the dormant shares, have appreciated remarkably because the brothers bought what caught their fancy rather than what the age ordained. The most expensive lot, likely to

exceed £70,000, is a set of 12 dining chairs made to furnish Windsor Castle in the "new" Gothic style of around 1810. Queen Mary had them removed in the 1920s, and the Rogers snapped them up.

Grand chandeliers, anything in silver gilt, Gothic cabinets, carved stags - all the objects displayed by postwar taste were snaffed up by the Rogers. Sometimes, Bunny's imagination stretched beyond antiquaries; he got Elizabeth Eaton to design a set of 12 ebullient dining chairs, covered with cow hide, to seat his guests.

Now this exotic lifestyle is to be scattered to the winds, raising at least £1.5m for the Rogers' faithful staff. For just £500, you can acquire the "Wall of Fire" cat suit, and ensure that Bunny Rogers' style continues, at least in spirit.

Check No 1214, 1 bag (2 bags) (Kny) 772 Nels. or 1. 2 bags 2 Nels. 3 bags 3 Nels. 4 bags 4 Nels. 5 bags 5 Nels. 6 bags 6 Nels. 7 bags 7 Nels. 8 bags 8 Nels. 9 bags 9 Nels. 10 bags 10 Nels. 11 bags 11 Nels. 12 bags 12 Nels. 13 bags 13 Nels. 14 bags 14 Nels. 15 bags 15 Nels. 16 bags 16 Nels. 17 bags 17 Nels. 18 bags 18 Nels. 19 bags 19 Nels. 20 bags 20 Nels. 21 bags 21 Nels. 22 bags 22 Nels. 23 bags 23 Nels. 24 bags 24 Nels. 25 bags 25 Nels. 26 bags 26 Nels. 27 bags 27 Nels. 28 bags 28 Nels. 29 bags 29 Nels. 30 bags 30 Nels. 31 bags 31 Nels. 32 bags 32 Nels. 33 bags 33 Nels. 34 bags 34 Nels. 35 bags 35 Nels. 36 bags 36 Nels. 37 bags 37 Nels. 38 bags 38 Nels. 39 bags 39 Nels. 40 bags 40 Nels. 41 bags 41 Nels. 42 bags 42 Nels. 43 bags 43 Nels. 44 bags 44 Nels. 45 bags 45 Nels. 46 bags 46 Nels. 47 bags 47 Nels. 48 bags 48 Nels. 49 bags 49 Nels. 50 bags 50 Nels. 51 bags 51 Nels. 52 bags 52 Nels. 53 bags 53 Nels. 54 bags 54 Nels. 55 bags 55 Nels. 56 bags 56 Nels. 57 bags 57 Nels. 58 bags 58 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